STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

In re aDigitalVillage.com, LLC)

CIVIL DIVISION
Docket No. 644-10-12 Wncv

ASSURANCE OF DISCONTINUANCE

WHEREAS aDigitalVillage.com, LLC ("aDigitalVillage.com"), is a Florida corporation with offices at 1035 Primera Boulevard, Suite 1041, Lake Mary, Florida 32745;

WHEREAS aDigitalVillage.com is a third-party provider of user-controlled "weblogs" and related services, the charges for which are placed on local telephone bills with the assistance of a San Antonio, Texas-based company called ACI Billing Services, Inc., d/b/a OAN Services, Inc.;

WHEREAS aDigitalVillage.com's charges to consumers involve a monthly fee of $12.95, $9.95 or $7.95, depending upon the "level of service" provided;

WHEREAS starting in 2007, aDigitalVillage.com charged a total, net of credits and refunds, of over $43,000 to Vermonters for its services that appeared on local telephone bills in Vermont's area code 802;

WHEREAS sellers of goods or services that are to be charged on a consumer's local telephone bill are required under 9 V.S.A. § 2466 to mail a notice to the party to be charged, containing information specific in the statute;

WHEREAS aDigitalVillage.com did not send to Vermont consumers who were charged for its services on their local telephone bills any notice by U.S. first class mail, as required by 9 V.S.A. § 2466, nor did it notify consumers of the address and telephone number of the Attorney General's Consumer Assistance Program as required by the statute;

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WHEREAS none of the 22 consumers who responded to the Attorney General's Office in the course of its investigation of this matter stated that they had any recollection of having authorized the placement of charges on their telephone bill for aDigitalVillage.com's services;

WHEREAS the Attorney General alleges that aDigitalVillage.com violated the Vermont Consumer Fraud Act, 9 V.S.A. § 2466, by not complying with that provision's notice requirements;

AND WHEREAS the Attorney General is willing to accept this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459;

THEREFORE, the parties agree as follows:

1. *Injunctive relief.* aDigitalVillage.com shall comply strictly with all provisions of Vermont law, including but not limited to provisions of the Vermont Consumer Fraud Act, 9 V.S.A. chapter 63, relating to the placement of charges on local telephone bills associated with telephone numbers in area code 802, and the prohibition of the Act on unfair and deceptive acts and practices in commerce.

2. *Consumer relief.*

a. For each consumer from whom aDigitalVillage.com has received money through a charge on a local telephone bill with a number in area code 802, aDigitalVillage.com shall, within ten (10) business days of signing this Assurance of Discontinuance, arrange for an electronic credit record to the consumer's local telephone company in the amount of all such monies that have not been previously refunded. aDigitalVillage.com shall use due diligence to ensure that accurate credits are provided to each consumer to whom a credit is due.

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b. If a credit record sent under the preceding subparagraph is not accepted or is returned by the local telephone company, aDigitalVillage.com shall, within ten (10) business days of learning of the non-acceptance or the return, send to the consumer, by first-class mail, postage prepaid, a check in the amount of the credit due to the consumer's last known address, accompanied by a letter in substantially the form attached as Exhibit 1.

c. No later than 60 (sixty) days after signing this Assurance of Discontinuance, aDigitalVillage.com shall provide to the Vermont Attorney General's Office the names and addresses of the consumers whose telephone numbers were credited, and to whom letters and payments were sent, under this Assurance of Discontinuance, along with the date and amount of each credit or payment.

d. No later than ninety (90) days after signing this Assurance of Discontinuance, aDigitalVillage.com shall mail to the Vermont Attorney General's Office, 109 State Street, Montpelier, VT 05609, a single check, payable to "Vermont State Treasurer," in the total dollar amount of all checks that were returned as undeliverable or that went uncashed, to be treated as unclaimed funds, along with a list, in electronic Excel format on a compact disk, of the consumers whose checks were returned or were not cashed (which list shall set out the first and last names of the consumers in distinct fields or columns), and for each such consumer, the last known address and dollar amount due.

3. *Payment to the State.* Within twenty (20) days of signing this Assurance of Discontinuance, aDigitalVillage.com shall pay to the State of Vermont, in care of the Vermont Attorney General's Office, the sum of ten thousand dollars ($10,000) as reimbursement for reasonable attorneys' fees and costs.

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4. *Binding effect.* This Assurance of Discontinuance shall be binding on aDigitalVillage.com, its successors and assigns.

5. *Release.* The State of Vermont hereby releases and discharges any and all claims that it may have against aDigitalVillage.com or its affiliates based on conduct or activities arising under or in connection with the Vermont Consumer Fraud Act prior to the date of this Assurance of Discontinuance.

6. *Admissibility.* Nothing in this Assurance of Discontinuance may be used or admitted as evidence or as an admission in any other adverse proceeding or action relating to aDigitalVillage.com, nor shall anything in this document be considered first-party evidence.

Date: 9/27/11

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

by: _____
Elliot Burg
Assistant Attorney General

Date: 10/3/2011

ADIGITALVILLAGE.COM, LLC

by: _____
Its Authorized Agent

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APPROVED AS TO FORM:

Elliot Burg
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, VT 05609
For the State of Vermont

Dennis F. Fountain, Esq.
5703 Red Bug Lake Rd., #237
Winter Springs, FL 32708
For aDigitalVillage.com, LLC

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Exhibit 1 (Letter to Consumers)

Dear [Name of Consumer]:

Under a settlement with the Vermont Attorney General's Office, we are enclosing a check to reimburse you for charges by our company, aDigitalVillage.com, that appeared on your local telephone bill.

If you have any questions about the settlement, you may contact the Attorney General's Office at (802) 828-5507.

Sincerely,

aDigitalVillage.com, LLC

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STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

In re AGRI-MARK, INC., d/b/a)	**CIVIL DIVISION**
CABOT CREAMERY COOPERATIVE)	**Docket No.** 489-8-11 Wncv

ASSURANCE OF DISCONTINUANCE

WHEREAS Agri-Mark, Inc., is a dairy cooperative with offices at 100 Milk Street, Methuen, Massachusetts 01844;

WHEREAS Agri-Mark, Inc., also does business under the name Cabot Creamery Cooperative ("Cabot"), a dairy cooperative with which it merged in 1992, and whose offices are at 1 Home Way, Montpelier, Vermont 05602 (together Agri-Mark, Inc. and Cabot Creamery Cooperative are referred to herein as "Agri-Mark");

WHEREAS Agri-Mark produces and markets a variety of value-added dairy products, including many types of cheese, dairy spreads, butter and whipped cream;

WHEREAS recombinant bovine somatotropin (rBST), also known as recombinant bovine growth hormone (rBGH), is a synthesized cattle hormone that is sometimes given to dairy cows by injection to increase milk production;

WHEREAS a number of Agri-Mark's Cabot brand products have been, and continue as of the date of this Assurance of Discontinuance to be, made from milk that cannot be certified as rBST-free, including Swiss cheese, mozzarella cheese, whipped cream, American cheese, Colby Jack cheese, Monterey Jack cheese, cheddar powder, butter, muenster cheese, full-fat pepper jack cheese, horseradish cheese, New York extra sharp cheese, and spreadable cheddar cheese;

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WHEREAS certain Agri-Mark personnel stated in emails to members of the public and on the company's Facebook page, "NO milk containing antibiotics or rBST (rBGH growth hormone) is ever allowed for processing" (emphasis in original);

WHEREAS certain Agri-Mark personnel stated in emails that "[t]he milk delivered to our two plants in Vermont and our plant in Massachusetts for Cabot Cheese is rBST[-free] ... These are the only plants that Cabot has for processing milk to produce our cheeses"; that "[a]ll Cabot Butter salted and unsalted [is] produced from milk that [is] rBST ... free"; and that members of the public would eventually see a no-artificial-growth hormone icon "on all Cabot packaging";

WHEREAS in 2009, Agri-Mark personnel released letters from its President and General Manager that stated that Agri-Mark's Board of Directors had voted to no longer accept milk from cows being treated with rBST, and that Agri-Mark would "no longer [be] accepting such milk as of August 1, 2009";

WHEREAS the Vermont Attorney General alleges that given the concern of many Vermont consumers over the use of rBST to treat dairy cows and the impact of rBST use on those consumers' purchasing decisions, and given that as a result of the kinds of public statements described above, reasonable consumers were likely to conclude that some or all Cabot products were rBST-free when they were not, Agri-Mark violated the Vermont Consumer Fraud Act, 9 V.S.A. § 2453(a), by making deceptive statements to the public concerning the rBST-free status of its products;

WHEREAS Agri-Mark denies the Vermont Attorney General's allegations in the preceding paragraph;

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AND WHEREAS the Vermont Attorney General is willing to accept this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459;

THEREFORE the parties agree as follows:

Definitions

1. For the purpose of this Assurance of Discontinuance, "rBST-free" and any substantially similar term shall mean that written certifications have been obtained, in advance of the representation, from milk producers representing that none of the milk provided to Agri-Mark came from cows treated with rBST.

2. "Clear and conspicuous" shall mean that required disclosures are presented in such a manner, given their language, syntax, graphics, size, color, contrast and proximity to any related information, as to be readily noticed and understood by reasonable consumers. A disclosure is not clear and conspicuous if, among other things, it is ambiguous or it is obscured by the background against which it appears, or by its location within a lengthy disclosure of non-material information.

3. "Distributed" shall mean the time period beginning when the product leaves Agri-Mark's possession.

Injunctive Relief

4. Agri-Mark shall comply strictly with the Vermont Consumer Fraud Act, 9 V.S.A. chapter 63, and all regulations promulgated thereunder.

5. More specifically, Agri-Mark shall not misrepresent, directly or by implication, the rBST-free status of its products, whether in labeling, in advertising or other marketing, on the Internet, to the press, or in communications with members of the public..

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6. If Agri-Mark advertises the rBST-free status of any of its products (for example, with a logo placed on a product container that says, "No Artificial Growth Hormone" or words to that effect), the company shall ensure that the advertisement does not otherwise state or imply that all of its products are rBST-free, when that is not true, or that more of its products are rBST-free than is in fact true. By way of example only, a statement in the logo that "our farmers pledge not to use rBST," without more, would imply that all of Agri-Mark's milk, and thus all of its products, are rBST free; and unless that were true, such a statement would be prohibited.

7. Agri-Mark shall not be required to recall or repackage product containers or packaging that bear the statement "our farmers pledge not to use rBST" or similar language (referred to in this paragraph as "containers") that Agri-Mark has Distributed or packed with product as of the date that Agri-Mark signs this Assurance of Discontinuance. Agri-Mark shall ensure that (a) three (3) months after the date of signing this Assurance of Discontinuance, at least fifty percent (50%) of the containers that are thereafter Distributed will comply with the preceding paragraph; (b) four (4) months after the date of signing this Assurance of Discontinuance, at least eighty percent (80%) of the containers that are thereafter Distributed will comply with the preceding paragraph; and (c) six (6) months after the date of signing this Assurance of Discontinuance, one hundred percent (100%) of the containers that are thereafter Distributed will comply with the preceding paragraph[1]; *provided that* a variation from these percentage requirements shall not be deemed a violation of this Assurance of Discontinuance if Agri-Mark can show that the variation was either *de minimis*

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[1] The percentage requirements of this paragraph mean that at least 50% of the total number of containers (as the term "containers" is defined above) Distributed in month 4 (*i.e.*, after the end of month 3) must comply with paragraph 6; that at least 80% of the total number of containers Distributed in months 5 and 6 (*i.e.*, after the end of month 4) must comply with paragraph 6; and that starting in month 7 (*i.e.*, after the end of month 6), 100% of the containers Distributed must comply with paragraph 6.

or the result of circumstances beyond Agri-Mark's control. In addition, on or before December 10, 2011, January 10, 2012, and March 10, 2012, Agri-Mark shall provide to the Vermont Attorney General's Office written certification of Agri-Mark's compliance with the 50%, 80% and 100% packaging requirements of this paragraph, respectively, signed by the Executive Vice President/Chief Operating Officer of Agri-Mark; and Agri-Mark shall also include in the last of these certifications, for each of the months of November 2011, December 2011 and February 2012, the total number of containers Distributed and the total number of said containers that complied with the requirements of paragraph 6, above. Said certifications, including information related to the number of containers Distributed, shall be deemed trade secret information and confidential and shall be exempt from disclosure by the Vermont Attorney General under Vermont Access to Public Records Act, 1 V.S.A. §§ 315 *et seq.*

8. In addition, Agri-Mark shall, for three (3) years maintain a webpage that is clearly and conspicuously linked to its Cabot brand home page with the words "rBST" and "bovine growth hormone," which webpage shall identify those Cabot-brand products that are not rBST-free that are at that time being Distributed by Agri-Mark, and for which the expiration or "sell by" date marked on the product has not passed. This disclosure may be accompanied by clear and conspicuous identification of any products of which some units in the marketplace are rBST-free and of which some units are non-rBST-free, and how each may be identified. Agri-Mark shall have a reasonable period of time, but no more than ten (10) days from the date of signing this Assurance of Discontinuance, to bring its webpage into compliance with this paragraph.

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9. Furthermore, after three (3) years, should Agri-Mark cease maintaining the webpage referred to in paragraph 8, above, then, for one (1) additional year, but for no longer than four (4) years from when the webpage is created, on request by a member of the public that is made by mail or email for a list of products that are not rBST-free, Agri-Mark shall, within a reasonable time, provide to the requestor, in the same medium as the request, a list of those Cabot-brand products that are not rBST-free that are at that time being Distributed by Agri-Mark, and for which the expiration or "sell by" date marked on the product has not passed. These responses to public inquires shall clearly and conspicuously state, if true, that (1) the list of products that are identified as rBST-free may change from time to time, depending upon the demand and supply of rBST-free milk; and (2) for up-to-date information, contact Cabot at 888-792-2268 and info@cabotcheese.coop, or an alternate telephone number and/or email address of Agri-Mark's choosing. In the event that a member of the public requests, by telephone to Agri-Mark, a list of products that are not rBST-free, Agri-Mark shall provide information to the requestor as to how the request may be made by mail or email, as specified in this paragraph.

Cy Pres Relief

10. Agri-Mark shall, within 30 (thirty) business days of signing this Assurance of Discontinuance, provide the Vermont Attorney General with a plan to donate cheeses or other dairy products in merchantable condition with a wholesale value totaling at least $75,000.00 (seventy-five thousand dollars) to one or more food banks in Vermont, for distribution to Vermonters in need. The selection of the food bank or banks shall be set by agreement between Agri-Mark and the Office of the Attorney General of Vermont; and the selection and timing of delivery of the specific products shall be set by agreement among Agri-Mark, the

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Office of the Vermont Attorney General, and the food banks. Agri-Mark and the Office of the Vermont Attorney General shall work in good faith to reach such agreements.

11. Within 10 (ten) business days of the last delivery, Agri-Mark shall provide to the Vermont Attorney General's Office an itemized list of the products donated and their wholesale value, and documentation as to how that value was calculated. The wholesale value of the donated products and the method of value calculation shall be deemed trade secret information and confidential and shall be exempt from disclosure by the Vermont Attorney General under the Vermont Access to Public Records Act, 1 V.S.A. §§ 315 *et seq.*

Civil Penalties and Costs

12. Within 10 (ten) business days of signing this Assurance of Discontinuance, Agri-Mark shall pay to the State of Vermont, in care of the Vermont Attorney General's Office, the sum of $65,000.00 (sixty-five thousand dollars) in civil penalties and costs.

Final Resolution

13. In consideration of the representations and promises set forth in this Assurance of Discontinuance, the Vermont Attorney General, on his own behalf and on behalf of the State of Vermont, does hereby release Agri-Mark, from any and all claims arising from the facts or circumstances described or alleged in this Assurance of Discontinuance, *provided that* this release shall not affect any claims by consumers. For purposes of this section, Agri-Mark shall mean Agri-Mark, Inc., its parents, subsidiaries, related and/or affiliated companies, and each of their respective employees, agents, assigns, shareholders, representatives, officers, principals, partners, members, directors, attorneys and all others acting by or through them or on their behalf.

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Date: 7/28/11

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

by: _____
Elliot Burg
Assistant Attorney General

Date: 8/1/11

AGRI-MARK, INC.

by: _____
Its Authorized Agent

APPROVED AS TO FORM:

_____
Elliot Burg
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, VT 05609

_____
Ross H. Garber
Shipman & Goodwin LLP
One Constitution Plaza
Hartford, CT 06103
For Agri-Mark, Inc.

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STATE OF VERMONT

SUPERIOR COURT Washington Unit	)	CIVIL DIVISION Docket No. 149-3-11 wncv
STATE OF VERMONT Plaintiff,	)	
vs.	)	
ASTRAZENECA PHARMACEUTICALS LP and ASTRAZENECA LP Defendants.	)	

FINAL JUDGMENT AND CONSENT DECREE

Plaintiff, STATE OF VERMONT, by WILLIAM H. SORRELL, Attorney General of the State of Vermont, has filed a Complaint for a permanent injunction and other relief in this matter pursuant to the Vermont Consumer Fraud Act, 9 V.S.A. §§ 2451 *et seq.*, alleging that AstraZeneca Pharmaceuticals LP and AstraZeneca LP committed violations of the aforementioned Act.

Plaintiff, by its counsel, and AstraZeneca Pharmaceuticals LP and AstraZeneca LP, by their counsel, have agreed to the entry of this Final Judgment and Consent Decree ("Judgment") by the Court without trial or adjudication of any issue of fact or law or finding of wrongdoing or liability of any kind.

PARTIES

1. The State of Vermont (hereinafter "the State") is the plaintiff in this case. The Vermont Attorney General is charged with, among other things, the responsibility of enforcing the Vermont Consumer Fraud Act.

2. AstraZeneca Pharmaceuticals LP and AstraZeneca LP (hereinafter "AstraZeneca") are the Defendants in this case. AstraZeneca's Corporate Headquarters is located at, 1800 Concord Pike, Wilmington, DE 19850-5437. As used herein, any reference to "AstraZeneca" shall mean AstraZeneca Pharmaceuticals LP and AstraZeneca LP.

TRADE AND COMMERCE

AstraZeneca, at all times relevant hereto, engaged in trade and commerce affecting consumers, within the meaning of the Vermont Consumer Fraud Act, in the State of Vermont, including, but not limited to, Washington County.

PREAMBLE

A. The Attorneys General of thirty-seven[1] states and the District of Columbia (collectively, the "Attorneys General," and the "AGs")[2], conducted an investigation regarding certain AstraZeneca practices concerning Seroquel.

B. The Parties have agreed to resolve the claims raised by the Covered Conduct, as set forth in Section VII, by entering into this Judgment. This Judgment is entered into pursuant to and subject to the State consumer protection laws[3] cited in footnote 3.

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[1] Arizona, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Idaho, Illinois, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Vermont, Washington, West Virginia, and Wisconsin.

[2] Hawaii is being represented on this matter by its Office of Consumer Protection, an agency which is not part of the state Attorney General's Office, but which is statutorily authorized to undertake consumer protection functions, including legal representation of the State of Hawaii. For simplicity, the entire group will be referred to as the "Attorneys General," and such designation, as it includes Hawaii, refers to the Executive Director of the State of Hawaii Office of Consumer Protection."

[3] ARIZONA – *Arizona Consumer Fraud Act*, A.R.S. § 44-1521 *et seq.*; CALIFORNIA – Bus. & Prof Code §§ 17200 *et seq.* and 17500 *et seq.*; COLORADO – *Colorado Consumer Protection Act*, Colo. Rev. Stat. § 6-1-101 *et seq.*; CONNECTICUT – *Connecticut Unfair Trade Practices Act*, Conn. Gen. Stat. §§ 42-110a *et seq.*; DELAWARE – *Delaware Consumer Fraud Act*, Del. CODE ANN. tit. 6, §§ 2511 to 2527; DISTRICT OF COLUMBIA, *District of Columbia Consumer Protection Procedures Act*, D.C. Code §§ 28-3901 *et seq.*; FLORIDA – *Florida Deceptive and Unfair Trade Practices Act, Part II*, Chapter 501, Florida Statutes, 501.201 *et. seq.*; HAWAII – *Uniform Deceptive Trade Practice Act*, Haw. Rev. Stat. Chpt. 481A and Haw. 501.201 *et seq.*; IDAHO – *Consumer Protection Act*, Idaho Code Section 48-601 *et seq.*; ILLINOIS – *Consumer Fraud and Deceptive Business Practices Act*, 815 ILCS 505/2 *et seq.*; IOWA – *Iowa Consumer Fraud Act*, Iowa Code Section 714.16; KANSAS - *Kansas Consumer Protection Act*, K.S.A. 50-623 et seq.; LOUISIANA – *Unfair Trade-Practices and Consumer Protection Law*, LSA-R.S. 51:1401, *et seq.*; MAINE – *Unfair Trade Practices Act*, 5 M.R.S.A. § 207 *et seq.*; MARYLAND - *Maryland Consumer Protection Act*, Md. Code Ann., Com. Law §§ 13-101 *et seq.*; MASSACHUSETTS – Mass. Gen. Laws c. 93A, §§ 2 and 4; MICHIGAN – *Michigan Consumer Protection Act*, MCL § 445.901 *et seq.*; MINNESOTA - Minnesota Deceptive Trade Practices Act, Minn. Stat. §§ 325D.43-48; Minnesota False Advertising Act, Minn. Stat. § 325F.67; Minnesota Consumer Fraud Act, Minn. Stat. §§ 325F.68-70; Minnesota Deceptive Trade Practices Against Senior Citizens or Disabled Persons Act, Minn. Stat. § 325F.71.; MISSOURI – *Missouri Merchandising Practices Act*, Mo. Rev. Stat. §§ 407 et seq.; NEBRASKA – *Uniform Deceptive Trade Practices Act*, NRS §§ 87-301 *et seq.*; NEVADA – Deceptive Trade Practices Act, Nevada Revised

C. AstraZeneca is entering into this Judgment solely for the purpose of settlement and nothing contained herein may be taken as or construed to be an admission or concession of any violation of law or regulation, or of any other matter of fact or law, or of any liability or wrongdoing (including allegations of the Complaint), all of which AstraZeneca expressly denies. AstraZeneca does not admit any violation of law, and does not admit any wrongdoing that was or could have been alleged by any Attorney General before the date of the Judgment. No part of this Judgment, including its statements and commitments, shall constitute evidence of any liability, fault, or wrongdoing by AstraZeneca. This Judgment is made without trial or adjudication of any issue of fact or law or finding of wrongdoing or liability of any kind. It is the intent of the Parties that this Judgment shall not be binding or admissible in any other matter, including, but not limited to, any investigation or litigation, other than in connection with the enforcement of this Judgment. No part of this Judgment shall create a private cause of action or confer any right to any third party for violation of any federal or state statute except that a State may file an action to enforce the terms of this Judgment. To the extent that any provision of this Judgment obligates AstraZeneca to change any policy(ies) or procedure(s) and to the extent not already accomplished, AstraZeneca shall implement the policy(ies) or procedure(s) as soon as reasonably practicable, but no later than 120 days after the Effective Date of this Judgment. Nothing

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Statutes 598.0903 *et seq.*; NEW HAMPSHIRE – *New Hampshire Consumer Protection Act*, RSA 358-A; NEW JERSEY – *New Jersey Consumer Fraud Act*, NJSA 56:8-1 *et seq.*; NEW YORK – General Business Law Art. 22-A, §§ 349-50, and Executive Law § 63(12); NORTH CAROLINA – North Carolina Unfair and Deceptive Trade Practices Act, N.C.G.S. 75-1.1, *et seq.*; NORTH DAKOTA – *Unlawful Sales or Advertising Practices*, N.D. Cent. Code § 51-15-02 *et seq.*; OHIO – *Ohio Consumer Sales Practices Act*, R.C. 1345.01, *et seq.*; OKLAHOMA - Oklahoma Consumer Protection Act 15 O.S. §§ 751 *et seq.*; OREGON -- Oregon Unlawful Trade Practices Act, ORS 646.605 *et seq.*; PENNSYLVANIA – *Pennsylvania Unfair Trade Practices and Consumer Protection Law*, 73 P.S. 201-1 *et seq.*; RHODE ISLAND - Rhode Island Deceptive Trade Practices Act, Rhode Island General Laws § 6-13.1-1, *et seq.*; SOUTH DAKOTA – *South Dakota Deceptive Trade Practices and Consumer Protection*, SDCL ch. 37-24; TENNESSEE – *Tennessee Consumer Protection Act*, Tenn. Code Ann. 47-18-101 *et seq.*; TEXAS – *Texas Deceptive Trade Practices-Consumer Protection Act*, Tex. Bus. And Com. Code 17.47, *et seq.*; VERMONT – *Consumer Fraud Act*, 9 V.S.A. §§ 2451 *et seq.*; WASHINGTON – *Unfair Business Practices/Consumer Protection Act*, RCW §§ 19.86 *et seq.*; WEST VIRGINIA – *West Virginia Consumer Credit and Protection Act*, W. Va. Code § 46A-1101 *et seq.*; WISCONSIN – Wis. Stat. § 100.18 (Fraudulent Representations).

contained herein prevents or prohibits the use of this Judgment for purposes of enforcement by the AGs.

D. This Judgment does not create a waiver or limit AstraZeneca's legal rights, remedies, or defenses in any other action by the Signatory Attorney General, and does not waive or limit AstraZeneca's right to defend itself from, or make argument in, any other matter, claim, or suit, including, but not limited to any investigation or litigation relating to the existence, subject matter, or terms of this Judgment. Nothing in this Judgment shall waive, release, or otherwise affect any claims, defense, or positions AstraZeneca may have in connection with any investigations, claims, or other matters the State is not releasing hereunder.

E. The AGs have reviewed the terms of the Judgment and find that its entry serves the public interest.

IT IS HEREBY ORDERED that:

DEFINITIONS

The following definitions shall be used in construing this Judgment:

1. "AstraZeneca" shall mean "AstraZeneca Pharmaceuticals LP" and "AstraZeneca LP," including all of their subsidiaries, divisions, successors, and assigns doing business in the United States.

2. "AstraZeneca's Legal Department" shall mean personnel of the AstraZeneca Legal Department or its designee providing legal advice to AstraZeneca.

3. "AstraZeneca Marketing" shall mean AstraZeneca commercial personnel assigned to the U.S. Seroquel brand team.

4. "AstraZeneca Medical Education Grants Office" and "MEGO" shall mean the U.S.-based organization within AstraZeneca responsible for oversight of medical education grants and the acceptance, review, and payment of all medical education grant requests.

5. "AstraZeneca Non-SciP" shall mean AstraZeneca personnel other than AstraZeneca Scientifically Trained Personnel or SciP.

6. "AstraZeneca Sales" shall mean the AstraZeneca pharmaceutical sales specialists, or other AstraZeneca personnel, responsible for U.S. Seroquel sales.

7. "AstraZeneca Scientifically Trained Personnel" or "SciP" shall mean AstraZeneca personnel who are highly trained experts with specialized scientific and medical knowledge whose roles involve the provision of specialized medical or scientific information, but excludes anyone performing sales, marketing, ride alongs, or other commercial roles.

8. "Clinically Relevant Information" shall mean information that reasonably prudent clinicians would consider relevant when making prescribing decisions regarding Seroquel.

9. "Consultant" shall mean a non-AstraZeneca Health Care Professional engaged to advise regarding marketing or promotion of Seroquel.

10. "Covered Conduct" shall mean AstraZeneca's Promotional and marketing practices, sampling practices, dissemination of information (including clinical research results), and remuneration to Health Care Professionals, in connection with Seroquel through the Effective Date of the Judgment.

11. "Effective Date" shall mean the date on which a copy of this Judgment, duly executed by AstraZeneca and by the Signatory Attorney General, is approved by, and becomes a Judgment of the Court.

12. "FDA Guidances for Industry" shall mean draft or final documents published by the United States Department of Health and Human Services, Food and Drug Administration ("FDA") that represent the FDA's current thinking on a topic.

13. "Health Care Professional" or "HCP" shall mean any physician or other health care practitioner who is licensed to provide health care services or to prescribe pharmaceutical products in the United States.

14. "Labeling" shall mean all FDA-approved labels, which are a display of written, printed, or graphic matter upon the immediate container of any article, and other written, printed, or graphic matter (a) upon any article or any of its containers or wrappers, or (b) accompanying such article.

15. "Multistate Executive Committee" shall mean the Attorneys General and their staffs representing Arizona, Delaware, District of Columbia, Florida, Illinois, Kansas, Maryland, Massachusetts, North Carolina, Ohio, Pennsylvania, and Vermont.

16. "Multistate Working Group" shall mean the Attorneys General and their staff representing Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Hawaii, Idaho, Illinois, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Vermont, Washington, West Virginia, and Wisconsin.

17. "Off-Label" shall mean a use not consistent with the indications section of the Seroquel Labeling approved by the FDA at the time information regarding such use was communicated.

18. "Parties" shall mean AstraZeneca and the Signatory Attorney General.

19. "Professional Information Request Response" or "PIR Response" shall mean a non-promotional, scientific or reference communication to address Unsolicited Requests for medical information from HCPs.

20. "Promotional," "Promoting" or "Promote" shall mean representations made to HCPs, patients, consumers, payers and other customers and other practices intended to increase sales or that attempt to influence prescribing practices of HCPs.

21. "Promotional Slide Deck" shall mean Promotional materials in any medium regarding Seroquel for use in speaker programs in the United States.

22. "Promotional Speaker" shall mean a HCP speaker engaged to Promote Seroquel in the United States.

23. "Reprints Containing Off-Label Information" shall mean articles or reprints from a Scientific or Medical Journal, as defined in 21 C.F.R. 99.3(j), or Reference Publication, as defined in 21 C.F.R. 99.3(i), describing an Off-Label use of Seroquel.

24. "Seroquel" shall mean all FDA-approved drug formulations containing quetiapine fumarate as its principal active ingredient and Promoted by AstraZeneca in the United States, including Seroquel XR.

25. "Signatory Attorney General" shall mean the Attorney General of Vermont, or his authorized designee, who has agreed to this Judgment.

26. "Unsolicited Request" shall mean a request for information regarding Seroquel from a HCP communicated to an agent of AstraZeneca that has not been prompted by AstraZeneca.

COMPLIANCE PROVISIONS

Except for Sections I.A-C, I.E-G, II.A, II.D.1, IV, and V below, the Compliance Provisions shall apply for six (6) years from the Effective Date of this Judgment.

I. Promotional Activities

A. AstraZeneca shall not make any written or oral claim that is false, misleading or deceptive regarding Seroquel.

B. AstraZeneca shall not Promote Seroquel for Off-Label uses.

C. In Promotional materials for Seroquel, AstraZeneca shall clearly and conspicuously disclose the risks associated with the product as set forth in the product's black box warning and shall present information about effectiveness and risk in a balanced manner.

D. AstraZeneca shall not present patient profiles/types based on selected symptoms of the FDA-approved indication(s) when Promoting Seroquel, unless:

1. The drug's specific FDA-approved indication(s) is/are stated clearly and conspicuously in the same spread (*i.e.*, on the same page or on a facing page) in any Promotional materials that refer to selected symptoms.

a. With respect to Promotional Slide Decks:

(i) AstraZeneca shall state clearly and conspicuously the FDA-approved indication(s) on the same slide in which selected symptoms are first presented;

(ii) AstraZeneca shall include a short-hand reference to the statement described in Section I.D.1.a.(i) on the same slide as each subsequent reference to selected symptoms (*e.g.*, "Seroquel is not approved for X selected symptom

referenced in this slide. See list of FDA-approved indications at p. Y"); and,

(iii) AstraZeneca shall require any presenter of AstraZeneca's Promotional Slide Decks to present the statement required in Section I.D.1.a.(i), as part of the mandatory slides.

2. Promotional materials have a reference indicating that the full constellation of symptoms and the relevant diagnostic criteria should be consulted and are available in the Diagnostic and Statistical Manual of Mental Disorders (DSM-IV or current version), where applicable.

E. AstraZeneca shall ensure that all Promotional Speakers' Promotional materials for Seroquel comply with AstraZeneca's obligations in the above Sections I.A–D.

F. AstraZeneca's systems and controls shall 1) be designed to ensure that financial incentives do not motivate AstraZeneca Marketing and/or Sales personnel to engage in improper promotion, sales, and marketing of Seroquel; and 2) include mechanisms to exclude from incentive compensation sales that may indicate Off-Label promotion of Seroquel.

G. AstraZeneca's systems and controls shall be designed to prevent AstraZeneca Sales from detailing Seroquel to HCPs who are unlikely to prescribe Seroquel for a use consistent with its FDA-approved label. This shall be effected through systems and controls requiring that AstraZeneca review the call plans for Seroquel and the bases upon, and circumstances under which HCPs belonging to specified medical specialties or types of clinical practice are included in, or excluded from, the call plans. The systems and controls shall require that AstraZeneca modify the call plans as necessary to ensure that AstraZeneca is

Promoting Seroquel in a manner that complies with applicable federal health care program and FDA requirements.

H. AstraZeneca's detailing systems and its controls shall prevent the delivery of samples of Seroquel to HCPs that AstraZeneca has identified as belonging to a specialty group that is unlikely to prescribe Seroquel for a use consistent with its FDA-approved label.

II. Dissemination and Exchange of Medical Information

A. General Terms

1. The content of AstraZeneca's communications concerning Off-Label uses of Seroquel shall not be false, misleading or deceptive.

B. Professional Information Request Responses

1. AstraZeneca Scientifically Trained Personnel shall have ultimate responsibility for developing and approving the medical content for all PIR Responses regarding Seroquel, including any that may describe Off-Label information. AstraZeneca shall not distribute any such materials unless:

a. Clinically Relevant Information is included in these materials to provide scientific balance;

b. Data in these materials are presented in an unbiased, non-Promotional manner; and

c. These materials are distinguishable from sales aids and other Promotional materials.

2. AstraZeneca Sales and AstraZeneca Marketing personnel shall not develop the medical content of PIR Responses regarding Seroquel.

3. AstraZeneca Sales representatives shall not distribute PIR Responses regarding Seroquel unless specifically authorized to do so pursuant to II.C.6.

4. AstraZeneca shall not knowingly disseminate any PIR Response describing any Off-Label use of Seroquel that makes any false, misleading or deceptive representation regarding Seroquel or any false or misleading or deceptive statement concerning a competing product.

C. Responses to Unsolicited Requests for Off-Label information

1. In responding to an Unsolicited Request for Off-Label information regarding Seroquel, including any request for a specific article related to Off-Label uses, AstraZeneca shall advise the requestor that the request concerns an Off-Label use and inform the requestor of the drug's FDA-approved indication(s), dosage and other relevant Labeling information.

2. If AstraZeneca elects to respond to an Unsolicited Request for Off-Label information from a HCP regarding Seroquel, AstraZeneca Scientifically Trained Personnel shall provide accurate, objective, and scientifically balanced responses. Any such response shall not Promote Seroquel for an Off-Label use.

3. Any written response to an Unsolicited Request for Off-Label information made to AstraZeneca Sales or AstraZeneca Marketing regarding Seroquel shall include:

a. an existing PIR Response prepared in accordance with Section II.B;

b. a PIR Response prepared in response to the request in accordance with Section II.B; or

c. a report containing the results of a reasonable literature search using terms from the request.

4. Only AstraZeneca Scientifically Trained Personnel may respond in writing to an Unsolicited Request for Off-Label information regarding Seroquel unless AstraZeneca Non-SciP are specifically authorized to do so pursuant to II.C.6.

5. AstraZeneca Non-SciP may respond orally to an Unsolicited Request for Off-Label information regarding Seroquel from a HCP only by offering to request on behalf of the HCP that a PIR Response or other information set forth above in II.C.3 be sent to the HCP in follow up or by offering to put the HCP in touch with the Virtual Scientific Exchange Center ("VSEC"). AstraZeneca Non-SciP shall not characterize, describe, identify, name, or offer any opinions about or summarize any Off-Label information.

6. PIR Responses regarding Seroquel may be disseminated only by AstraZeneca Scientifically Trained Personnel to HCPs, and AstraZeneca Non-SciP shall not disseminate these materials to HCPs except in circumstances implicating public health and safety issues. In such circumstances, AstraZeneca Non-SciP may disseminate a PIR Response directly to HCPs, when expressly authorized by the U.S. Compliance Officer, the U.S. General Counsel, and the Vice President of Medical Affairs.

D. Reprints

1. AstraZeneca shall not disseminate information or written materials describing Off-Label or unapproved uses of Seroquel unless such information and materials comply with applicable FDA regulations and FDA Guidance for Industry;

2. Reprints Containing Off-Label Information

a. AstraZeneca Scientifically Trained Personnel shall be responsible for the identification, selection, approval and dissemination of Reprints Containing Off-Label Information regarding Seroquel.

b. Requests to proactively disseminate a Reprint Containing Off-Label Information shall be submitted to the appropriate director of Medical Affairs, who will convene a cross-functional team, including a representative from Clinical, Medical Affairs, AstraZeneca's U.S. Compliance Department, AstraZeneca's Legal Department, and Promotional Regulatory Affairs, to examine the facts and justification for the request to distribute a Reprint Containing Off-Label Information on a case-by-case basis.

c. Reprints Containing Off-Label Information shall:

   (i) be accompanied by the full prescribing information for the product, or a clearly and conspicuously described hyperlink that will provide the reader with such information, and contain a disclosure in a prominent location, which would include the first page or as a cover page where practicable, indicating that the article may discuss Off-Label information; and

   (ii) not be referred to or used in a Promotional manner.

d. Reprints Containing Off-Label Information regarding Seroquel may be disseminated only by AstraZeneca Scientifically Trained

Personnel to HCPs. AstraZeneca Non-SciP shall not disseminate these materials to HCPs.

3. Nothing in this Judgment shall preclude AstraZeneca from disseminating Reprints which have an incidental reference to Off-Label information. If Reprints have an incidental reference to Off-Label information, such reprints shall contain the disclosure required by section II.D.2.c.(i) in a prominent location, as defined above, and such incidental reference to Off-Label information shall not be referred to or used in a Promotional manner as prohibited by Section II.D.2.c.(ii).

III. Grants

A. AstraZeneca shall disclose information about medical education grants, including CME grants, regarding Seroquel consistent with the current disclosures of MEGO with a link to the disclosures available through AstraZeneca's website and as required by applicable law.

1. AstraZeneca shall maintain this information on the website, once posted, for at least two years, or longer if applicable law so requires, and shall maintain the information in a readily accessible format for review by the States upon written request for a period of five years.

B. MEGO shall manage all requests to AstraZeneca for funding related to medical education grants regarding Seroquel. Approval decisions shall be made by MEGO alone, and shall be kept separate from the AstraZeneca Sales and AstraZeneca Marketing organizations.

C. AstraZeneca shall not use medical education grants or any other type of grant to Promote Seroquel. This provision includes, but is not limited to, the following prohibitions:

1. AstraZeneca Sales and AstraZeneca Marketing personnel shall not initiate, coordinate or implement grant applications on behalf of any customer or HCP;

2. AstraZeneca Sales and AstraZeneca Marketing personnel shall not be involved in selecting grantees or medical education speakers; and

3. AstraZeneca shall not measure or attempt to track in any way the impact of grants or speaking fees on the participating HCPs' subsequent prescribing habits, practices or patterns.

D. AstraZeneca shall not condition funding of a medical education program grant request relating to Seroquel upon the requestor's selection or rejection of particular speakers.

E. AstraZeneca shall not suggest, control, or attempt to influence selection of the specific topic, title, content, speakers or audience for CMEs relating to Seroquel, consistent with Accreditation Council for Continuing Medical Education Guidelines.

F. AstraZeneca Sales and AstraZeneca Marketing personnel shall not approve grant requests relating to Seroquel, nor attempt to influence the awarding of grants to any customers or HCPs for their prescribing habits, practices or patterns.

G. AstraZeneca shall contractually require the medical education provider to clearly and conspicuously disclose to medical education program attendees AstraZeneca's financial support of the medical education program and any financial relationship with faculty and speakers at such medical education program.

H. After the initial delivery of a medical education program, AstraZeneca shall not knowingly fund the same program, nor shall it provide additional funding for re-distribution of the same program, if the program's speakers are Promoting Seroquel for Off-Label uses in that program.

IV. Payments to Consultants and Speakers

A. This Section shall be effective for five (5) years from the Effective Date of this Judgment and shall apply to U.S. based Consultants and Promotional Speakers performing Promotional activities for AstraZeneca.

B. Phase I Reporting.

1. AstraZeneca shall continue to post in a prominent position on its website an easily accessible and readily searchable listing of all U.S.-based physicians and Related Entities (as defined below in Section IV.D.5) who or which received Phase I Payments (as defined below in Section IV.D.2) directly or indirectly from AstraZeneca during the first six months of 2010 and the aggregate value of such Phase I Payments.

2. On or before February 28, 2011, AstraZeneca shall also post on its website a listing of updated information about all Phase I Payments provided during the last six months of 2010. On or before May 31, 2011, AstraZeneca shall also post on its website a listing of updated information about all Phase I Payments provided during the first quarter of 2011. On or before June 30, 2011, AstraZeneca shall also post on its website a report of the cumulative value of the Phase I Payments provided to each physician, and/or Related Entity during 2010. The quarterly, six-month, and annual reports shall be easily accessible and readily searchable.

3. Each listing made pursuant to this Section IV. B shall include a complete list of all individual physicians and Related Entities to whom or to which AstraZeneca directly or indirectly made Payments in the preceding six-month period, quarter, or year (as applicable). Each listing shall be arranged alphabetically according to the physicians' last name or the name of the Related Entity. For each physician, the applicable listing shall include the following information: i) physician's full name; ii) name of any Related Entities (if applicable); iii) city and

state that the physician or Related Entity has provided to AstraZeneca for contact purposes; and (iv) the aggregate value of the payment(s) in the preceding quarter, six-month period, or year (as applicable). If payments for multiple physicians have been made to one Related Entity, the aggregate value of all payments to the Related Entity will be the reported amount.

C. Phase II Reporting

1. On or before August 31, 2011, AstraZeneca shall post in a prominent position on its website an easily accessible and readily searchable listing of all U.S.-based physicians and Related Entities who or which received Phase II Payments (as defined below in Section IV.D.3) directly or indirectly from AstraZeneca during the second quarter of 2011 and the aggregate value of such Phase II Payments.

2. After the August 31, 2011 posting, 30 days after the end of each subsequent calendar quarter, AstraZeneca shall post on its website a listing of updated information about all Phase II Payments provided from the first reporting quarter of the year through the close of the most recent quarter of the year. Beginning in 2012, on or before May 1 of each year, AstraZeneca shall also post on its website a report of the cumulative value of the Phase II Payments provided to each physician, and/or Related Entity during each preceding calendar year. The quarterly and annual reports shall be easily accessible and readily searchable.

D. Definitions and Miscellaneous Provisions

1. AstraZeneca shall continue to make each annual listing and the most recent six-month or quarterly listing of Payments available on its website. AstraZeneca shall retain and make available to each Signatory Attorney General, upon request, relevant business records sufficient to demonstrate the purpose of the Payment and (where applicable) the performance of a service by the HCP related to all applicable Payments and to the annual, six-

month, and/or quarterly listings of Payments. Nothing in this Section IV affects the responsibility of AstraZeneca to comply with (or liability for noncompliance with) all applicable state laws as they relate to all applicable Payments made to physicians or Related Entities.[4]

2. For purposes of Section IV.B, the term "Phase I Payments" is defined as all fees paid in connection with U.S.-based physicians serving as Promotional Speakers in the United States or participating in prerequisite speaker training for such Promotional Speaker engagements.

3. For purposes of Section IV.C, the term "Phase II Payments" is defined to include all Phase I Payments and all other "payments or transfers of value" as that term is defined in § 1128G(e)(10) under Section 6002 of the Patient Protection and Affordable Care Act ("PPACA") and any regulations promulgated thereunder. The term Phase II Payments includes, by way of example, the types of payments or transfers of value enumerated in § 1128G(a)(1)(A)(vi) of PPACA. The term includes all payments or transfers of value made to Related Entities on behalf of, at the request of, for the benefit or use of, or under the name of a physician for whom AstraZeneca would otherwise report a Payment if made directly to the physician. The term "Phase II Payments" also includes any payments or transfers of value made, directly by AstraZeneca or by a vendor retained by AstraZeneca to a physician or Related Entity in connection with, or under the auspices of, a co-promotion arrangement.

4. The term "Payments" as used in the definition of Phase I Payments and Phase II Payments does not include transfers of value or other items that are not included or are excluded from the definition of "payment" as set forth in § 1128G(e)(10) under Section 6002 of PPACA and any regulations promulgated thereunder.

[4] This includes, but is not limited to, 18 V.S.A. §§ 4631 *et seq.*

5. For purposes of this Section IV, the term "Related Entity" is defined to be any entity by or in which any physician receiving Payments is employed, has tenure, or has an ownership interest.

E. Once the Federal Physician Payments Sunshine Act becomes effective, AstraZeneca shall comply with the Federal Physician Payments Sunshine Act, Section 6002 of the PPACA, and it is agreed that AstraZeneca's compliance with the Physician Payment Sunshine Provision of PPACA will constitute compliance with Section IV of this Final Judgment and Consent Decree.

V. Clinical Research Results

A. AstraZeneca shall report clinical research regarding Seroquel in an accurate, objective and balanced manner as follows and as required by applicable law:

1. To the extent permitted by the National Library of Medicine and as required by the FDA Amendments Act of 2007 (Public Law No. 110-85), AstraZeneca shall register clinical trials and submit clinical trial results to the registry and results data bank regarding Seroquel as required by the FDA Amendments Act and any accompanying regulations that may be promulgated pursuant to that Act. With respect to Seroquel, AstraZeneca registers on a publicly accessible NIH website (www.clinicaltrials.gov) the initiation of all AstraZeneca-sponsored clinical studies involving individuals and posts a summary of the results of all AstraZeneca-sponsored clinical studies in patients or volunteers for marketed and investigative products on the above-referenced NIH website and on a company website (www.astrazenecaclinicaltrials.com).

B. When presenting information about a clinical study regarding Seroquel, AstraZeneca shall not do any of the following in a manner that causes the Promotional materials to be false, misleading or deceptive:

1. present favorable information or conclusions from a study that is inadequate in design, scope, or conduct to furnish significant support for such information or conclusions;

2. use the concept of statistical significance to support a claim without providing the appropriate clinical context, or which fails to reveal the range of variations around the quoted average results;

3. use statistical analyses and techniques on a retrospective basis to discover and cite findings not soundly supported by the study, or to suggest scientific validity and rigor for data from studies the design or protocol of which are not amenable to formal statistical evaluations;

4. present the information in a way that implies that the study represents larger or more general experience with the drug than it actually does; or

5. use statistics on numbers of patients, or counts of favorable results or side effects, derived from pooling data, unless such pooling has been done in a statistically rigorous manner, pursuant to a protocol, and that the method of pooling has been disclosed.

PAYMENT AND RELEASE PROVISIONS

VI. Terms Relating to Payment

A. No later than 30 days after the Effective Date of this Judgment, AstraZeneca shall pay $68.5 million to be divided and paid by AstraZeneca directly to each Signatory Attorney General of the Multistate Working Group in an amount to be designated by and in the sole discretion of the Multistate Executive Committee. The Parties acknowledge that the payment described herein is not a fine or penalty, or payment in lieu thereof.

VII. Release

A. By its execution of this Judgment, the State of Vermont releases and forever discharges AstraZeneca, and all of its past and present subsidiaries, divisions, affiliates, co-promoters, controlled joint ventures, predecessors, successors, and assigns and each and all of their current and former officers, directors, shareholders, employees, agents, contractors,and attorneys (collectively, the "Released Parties") of and from the following: all civil claims, causes of action, *parens patriae* claims, damages, restitution, fines, costs, attorneys fees, remedies and/or penalties that the Vermont Attorney General has asserted or could have asserted against the Released Parties under the Vermont Consumer Fraud Act or any amendment thereto, or common law claims concerning unfair, deceptive, or fraudulent trade practices resulting from the Covered Conduct up to and including the Effective Date (collectively, the "Released Claims").

B. Notwithstanding any term of this Judgment, specifically reserved and excluded from the Released Claims as to any entity or person, including Released Parties, are any and all of the following:

1. Any criminal liability that any person or entity, including Released Parties, has or may have to the State of Vermont;

2. Any civil or administrative liability that any person or entity, including Released Parties, has or may have to the State of Vermont not expressly covered by the release in Section VII.A above, including, but not limited to, any and all of the following claims:

a. State or federal antitrust violations;

b. Claims involving "best price," "average wholesale price" or "wholesale acquisition cost;"

c. Medicaid violations, including but not limited to federal Medicaid drug rebate statute violations, Medicaid fraud or abuse, and/or kickback violations related to any state's Medicaid program; and

d. State false claims violations.

3. Actions of state program payors of the State of Vermont arising from the purchase of Seroquel, except for the release of civil penalties under the state consumer protection laws cited in footnote 3.

4. Any claims individual consumers have or may have under the State of Vermont's above cited consumer protection laws against any person or entity, including Released Parties.

PROVISIONS RELATED TO OTHER LAWS AND DISPUTE RESOLUTION

VIII. Conflicts with Other Laws

A. This Judgment (or any portion thereof) shall in no way be construed to prohibit AstraZeneca from making representations with respect to Seroquel that are permitted under federal law or in Labeling for the drug under the most current draft or final standard promulgated by the FDA or the most current draft or final FDA Guidances for Industry, or permitted or required under any Investigational New Drug Application, New Drug Application, Supplemental New Drug Application, or Abbreviated New Drug Application approved by FDA, unless facts are or become known to AstraZeneca that such representation, taken in its entirety, is false, misleading or deceptive. Nothing in this paragraph should be interpreted to excuse AstraZeneca from implementing any of the affirmative obligations described in the Compliance Provisions of this Judgment. If, subsequent to the Effective Date of this Judgment, the laws or regulations of the United States are changed so as to expressly authorize conduct that is expressly prohibited by this Judgment, then such conduct shall not constitute a violation of this judgment. Provided however, if AstraZeneca intends to engage in the expressly authorized conduct, AstraZeneca shall notify the Attorneys General (or the Attorney General of the affected state) within 30 business days prior to engaging in the expressly authorized conduct.

B. If, subsequent to the Effective Date of this Judgment, the federal government or any state, or any federal or state agency, enacts or promulgates legislation, regulations, or guidances with respect to matters governed by this Judgment that creates a conflict with any of the Compliance Provisions of the Judgment and AstraZeneca intends to comply with the newly enacted legislation, regulation, or guidance, AstraZeneca shall notify the Attorneys General (or the Attorney General of the affected State) of the same. If the Attorney General agrees, he/she

shall consent to a modification of such provision of the Judgment to the extent necessary to eliminate such conflict. If any Attorney General disagrees and the Parties are not able to resolve the disagreement, AstraZeneca shall seek a modification from an appropriate court of any provision of this Judgment that presents a conflict with any such federal or state law, regulation, or guidance. The disagreement of an Attorney General shall in no way impact AstraZeneca's ability to take action in any state and/or territory not represented by that Attorney General. Changes in federal or state laws, regulations, or guidances with respect to the matters governed by this Judgment shall not be deemed to create a conflict with a provision of this Judgment unless AstraZeneca cannot reasonably comply with both such law, regulation, or guidance and the applicable provision of this Judgment.

IX. Dispute Resolution

A. For the purposes of resolving disputes with respect to compliance with this Judgment, should any of the Signatory Attorneys General have a reasonable basis to believe that AstraZeneca has engaged in a practice that violates a provision of this Judgment subsequent to the Effective Date of this Judgment, then such Attorney General shall notify AstraZeneca in writing of the specific objection, identify with particularity the provisions of this Judgment that practice appears to violate, and give AstraZeneca thirty (30) days to respond to the notification; provided, however, that a Signatory Attorney General may take any action if the Signatory Attorney General concludes that, because of the specific practice, a threat to the health or safety of the public requires immediate action. Upon receipt of written notice, AstraZeneca shall provide a good-faith written response to the Attorney General notification, containing either a statement explaining why AstraZeneca believes it is in compliance with the Judgment, or a detailed explanation of how the alleged violation occurred and statement explaining how and when AstraZeneca intends to remedy the alleged violation. Nothing in this paragraph shall be interpreted to limit the State's Civil Investigative Demand ("CID") or investigative subpoena authority, to the extent such authority exists under applicable state law, and AstraZeneca reserves all of its rights with respect to a CID or investigative subpoena issued pursuant to such authority.

B. Upon giving AstraZeneca thirty (30) days to respond to the notification described above, the Signatory Attorney General shall also be permitted reasonable access to inspect and copy relevant, non-privileged, non-work product records and documents in the possession, custody or control of AstraZeneca that relate to AstraZeneca's compliance with each provision of this Judgment as to which cause that is legally sufficient in the State has been shown.

C. If the Signatory Attorney General makes or requests copies of any documents during the course of that inspection, the Signatory Attorney General will provide a list of those documents to AstraZeneca. Any and all documents and information (including, but not limited to, electronic information) provided in response to a request by the State shall be protected to the extent provided by the requesting State's Freedom of Information Act or other state law. Such documents or information shall not be disclosed by the State to any other party or entity (pursuant to a FOIA request, subpoena, or otherwise) without first providing notice to AstraZeneca, to the extent allowed by law, so that AstraZeneca may take necessary steps to protect its confidential documents or information prior to disclosure.

D. The State of Vermont may assert any claim that AstraZeneca has violated this Judgment in that State in a separate civil action to enforce compliance with this Judgment, or may seek any other relief afforded by law, but only after providing AstraZeneca an opportunity to respond to the notification described in Paragraph IX.A. above, provided, however, that a Signatory Attorney General may take any action if the Signatory Attorney General concludes that, because of the specific practice, a threat to the health or safety of the public of that State requires immediate action.

X. Timely Written Requests for Extensions

Nothing will prevent the State from agreeing in writing to provide AstraZeneca with additional time to perform any act or to file any notification required by the Judgment. The Attorney General shall not unreasonably withhold his/her agreement to the request for additional time.

XI. General Provisions

A. AstraZeneca shall not cause or encourage third parties, nor knowingly permit third parties acting on its behalf, to engage in practices from which AstraZeneca is prohibited by this Judgment.

B. This Judgment represents the full and complete terms of the settlement entered into by the Parties hereto. In any action undertaken by the Parties, neither prior versions of this Judgment, nor prior versions of any of its terms, that were not entered by the Court in this Judgment, may be introduced for any purpose whatsoever.

C. This Court retains jurisdiction of this Judgment and the Parties hereto for the purpose of enforcing and modifying this Judgment and for the purpose of granting such additional relief as may be necessary and appropriate.

D. This Judgment may be executed in counterparts, and a facsimile or .pdf signature shall be deemed to be, and shall have the same force and effect as, an original signature.

E. All Notices under this Judgment shall be provided to John C. Dodds and the U.S. Compliance Officer of AstraZeneca by Overnight Mail at:

John C. Dodds
Morgan, Lewis & Bockius LLP
1701 Market St.
Philadelphia, PA 19103

Marie L. Martino
U.S. Compliance Officer
AstraZeneca
1800 Concord Pike
PO Box 15437
Wilmington, DE 19850-5437

APPROVED:

PLAINTIFF, THE PEOPLE OF THE STATE OF VERMONT

By: _____ Date: 3/10/11
Wendy Morgan, Chief, Public Protection Division

WILLIAM H. SORRELL
Vermont Attorney General

WENDY MORGAN
Chief, Public Protection Division
Vermont Attorney General's Office
Public Protection Division
109 State St.
Montpelier, VT 05609-1001
(802) 828-3171

ASTRAZENECA PHARMACEUTICALS LP and ASTRAZENECA LP

By: _____ Date: _____

Marie L. Martino
U.S. Compliance Officer
AstraZeneca
1800 Concord Pike
PO Box 15437
Wilmington, DE 19850-5437

Approved as to form:

By:_____ Date: _____

John C. Dodds
Morgan, Lewis & Bockius LLP
1701 Market St.
Philadelphia, PA 19103-2921
215.963.4942
215.963.5001-Fax
jdodds@morganlewis.com

Attorney for AstraZeneca Pharmaceuticals LP and AstraZeneca LP

APPROVED BY THE COURT:

By: _____ Date: 3/14/11

Superior Court Judge Crawford
Washington Superior Court
65 State Street
Montpelier, VT 06502

STATE OF VERMONT

SUPERIOR COURT
Washington Unit

CIVIL DIVISION
Docket No. 296-5-02 Wncv

STATE OF VERMONT,
Plaintiff,

v.

CASELLA WASTE SYSTEMS, INC.,
Defendant.

REVISED FINAL JUDGMENT BY CONSENT AND ORDER

WHEREAS, Plaintiff, the State of Vermont, and Defendant, Casella Waste Systems, Inc., by and through their respective attorneys, stipulate and agree to the entry of this Revised Final Judgment.

NOW, THEREFORE, it is hereby ORDERED, ADJUDGED AND DECREED as follows:

I.

JURISDICTION

This Court has jurisdiction of the subject matter of this action and of the Defendant, Casella Waste Systems, Inc. Pursuant to the parties' Stipulation for Entry of Revised Final Judgment by Consent and Order, the Court finds Defendant to have been in violation of the Assurance of Discontinuance filed on May 22, 2002, as set forth in that Stipulation.

II.

DEFINITIONS

As used in this Revised Final Judgment:

(A) "Vermont" means the 14 counties that constitute the state of Vermont.

(B) "Solid waste hauling" means the collection and transportation to a disposal site of trash and garbage (but not construction and demolition debris; medical waste; hazardous waste; organic waste; or special waste, such as contaminated soil, or sludge; or recyclable materials) from residential, commercial and industrial customers. Solid waste hauling includes hand pick-up, containerized pick-up, and roll-off service.

(C) "Defendant" means Casella Waste Systems, Inc., a Delaware corporation with its headquarters in Rutland, Vermont, and its officers, directors, managers, agents, employees, successors, assigns, parents, affiliates, and subsidiaries.

(D) "Small container" means a 2 to 10 cubic yard container.

(E) "Small containerized solid waste hauling service" means providing solid waste hauling service to customers by providing the customer with a small container that is picked up mechanically using a frontload, rearload, or sideload truck, and expressly excludes hand pick-up service, and service using a stationary or self-contained compactor or a compactor attached to or part of a small container.

(F) "Customer" means a small containerized solid waste hauling service customer with a service location or service locations in Vermont.

(G) "Transfer station" means a solid waste management facility located in Vermont where solid waste is collected, aggregated, sorted, stored or processed for the purpose of subsequent transfer to another solid waste management facility for further processing, treatment, transfer or disposal, or for the purpose of subsequent transfer to a landfill located in or outside of Vermont.

(H) "Landfill," except as described in (G) above and in Section V(G), means a land disposal site for the final disposal of solid waste located in Vermont that employs one of a number of methods of disposing of solid waste on land.

(I) "Service location" means each separate address at which Defendant provides small containerized solid waste hauling services; more than one service location may be governed by a single contract.

III.

APPLICABILITY

This Revised Final Judgment applies to Defendant and to its officers, directors, managers, agents, employees, successors, assigns, parents, affiliates, and subsidiaries, and to all other persons in active concert or participation with any of them who shall have received actual notice of this Revised Final Judgment by personal service or otherwise. Nothing contained in this Revised Final Judgment is or has been created for the benefit of any third party, and nothing herein shall be construed to provide any rights to any third party.

IV.

PROHIBITED CONDUCT

Defendant is enjoined and restrained as follows:

(A) Except as set forth in paragraph IV(B) and IV(H), Defendant shall not enter into any contract with a customer for a service location in Vermont that:

(1) Has an initial term longer than two years;

(2) Has any renewal term longer than one year;

(3) Requires that the customer give Defendant notice of termination more than 30 days prior to the end of any initial term or renewal term;

(4) Prohibits the customer from giving notice of intent to cancel by regular mail, facsimile or certified mail;

(5) Is not signed by an individual who holds himself or herself out to be an authorized agent with authority to enter into the contract;

(6) Requires that the customer pay liquidated damages in excess of three times the greater of its prior monthly charge or its average monthly charge over the most recent six months during the first year of the initial term of the customer's contract;

(7) Requires that the customer pay liquidated damages in excess of two times the greater of its prior monthly charge or its average monthly charge over the most recent six months after the customer has been a customer of Defendant for a continuous period in excess of one year;

(8) Requires the customer to give Defendant notice of any offer by or to another solid waste hauling firm or requires the customer to give Defendant a reasonable opportunity to respond to such an offer for any period not covered by the contract (sometimes referred to as a "right to compete" clause);

(9) Does not prominently set forth the contract terms clearly and conspicuously, and is not labeled, in large letters, SERVICE CONTRACT; or

(10) Requires a customer to give Defendant the right or opportunity to provide hauling service for recyclables for a customer unless the customer affirmatively chooses to have Defendant provide such recycling services by so stating on the front of the contract.

(B) Notwithstanding the provisions of paragraph IV(A) of this Revised Final Judgment, Defendant may enter into a contract with a customer for a service location in Vermont with an initial term in excess of two years provided that:

(1) The customer has acknowledged in writing that the Defendant has offered to the customer the form contracts Defendant is required herein to offer generally to customers;

(2) The customer has the right to terminate the contract after two years by giving notice to Defendant 30 days or more prior to the end of the two year period;

(3) The contract otherwise complies with the provisions of paragraph IV(A)(2)-(10); and

(4) The number of service locations subject to contracts permitted under subparagraph (B) in Vermont does not exceed 25% of the total number of service locations for small containerized solid waste hauling service in Vermont in any year, however, for purposes of this paragraph IV(B)(4) only, Defendant shall have a 30 day right to cure any such exceedances.

(C) Upon entry of this Revised Final Judgment, Defendant shall offer to customers with service locations in Vermont only contracts that conform to the requirements of Section IV(A) or IV(B) of this Revised Final Judgment, except as provided by Section IV(H).

(D) Within 30 days of entry of this Revised Final Judgment, Defendant shall notify all customers with service locations in Vermont who currently hold contracts contrary to any provision of Section IV of the following, and shall send a copy of such notification to the Office of the Attorney General, Public Protection Division:

(1) Customers need not provide more than 30 days notice to cancel the contract;

(2) Customers need not give Defendant notice of any offer by or to another solid waste hauling firm or give Defendant a reasonable opportunity to respond to such an offer for any period not covered by the contract;

(3) Customers need not give Defendant the right or opportunity to provide hauling service for recyclables for a customer unless the customer affirmatively chooses to have Defendant provide such recycling services by so stating on the front of the contract.

(E) Upon entry of this Revised Final Judgment, Defendant may not enforce those contract provisions that are inconsistent with this Revised Final Judgment.

(F) Defendant shall honor requests to cancel signed by the customer and transmitted by regular mail, facsimile or certified mail immediately upon receipt of said cancellation. Defendant may seek to obtain from the customer any amounts owed for services rendered prior to Defendant's receipt of such cancellation notice and liquidated damages permitted by this Revised Final Judgment that might apply.

(G) Defendant may not, in the operation of its transfer stations or landfills located in Vermont, impose payment, credit or other terms upon its solid waste hauling competitors that are more onerous than Defendant imposes upon other competitors.

(H) Notwithstanding the provisions of this Revised Final Judgment, Defendant shall not be required to do business with any customer.

V.

PRIOR NOTIFICATION REQUIRED

(A) Defendant shall not, without providing notification to the Antitrust Unit of the Vermont Attorney General's Office, through subsidiaries, partnerships, joint ventures or otherwise, directly or indirectly:

(1) Except as provided in paragraph V(B), acquire any ownership or leasehold interest that has a fair market value of $200,000 or more in any entity that has engaged in solid waste hauling in Vermont within six months of the date of such proposed acquisition; or

(2) Except as provided in paragraph V(B), acquire any stock, share capital, equity or other interest that has a fair market value of $200,000 in any entity that: (a) owns a company that is, or within the six months prior to such proposed acquisition has been, engaged in solid waste hauling in Vermont; or (b) operates any entity that is engaged in solid waste hauling in Vermont; or

(3) Acquire any ownership or leasehold interest in any entity that has engaged in the transfer of solid waste in Vermont within six months of the date of such proposed acquisition; or

(4) Acquire any stock, share capital, equity or other interest in any entity that: (a) owns a company that is, or within the six months prior to such proposed acquisition has been, engaged in the transfer of solid waste in Vermont; or (b) operates any entity that is engaged the transfer of solid waste in Vermont; or

(5) Acquire any ownership or leasehold interest in any entity that has engaged in the final disposal of solid waste from Vermont within six months of the date of such proposed acquisition; or

(6) Acquire any stock, share capital, equity or other interest in any entity that: (a) owns a company that is, or within the six months prior to such proposed acquisition has been, engaged in the final disposal of solid waste from Vermont; or (b) operates any entity that is engaged the final disposal of solid waste from Vermont.

(B) In the event that the Attorney General's prosecution of a court proceeding results in a court finding that Defendant has, within any geographic market within Vermont, a market share of 60% or greater, then the fair market value of an acquisition that triggers a prior

notification to the Attorney General pursuant to paragraphs V(A)(1) and V(A)(2) shall be lowered to $100,000 for the geographic market that is the subject of the court's finding.

(C) Defendant shall provide the notification at least 30 days prior to acquiring any such interest.

(D) If, within the 30 days after receiving such notification, the Antitrust Unit of the Vermont Attorney General makes a written request for additional information or documentation regarding Defendant's proposed acquisition, Defendant shall not consummate the proposed acquisition until 30 days after substantially complying with such request.

(E) Early termination of the waiting periods in this section may be requested and, where appropriate, granted at the discretion of the State of Vermont when all agree in writing to do so.

(F) For purposes of this Revised Final Judgment, "notification" means the provision of notice to the Attorney General on the Notification and Report Form set forth in the Appendix to part 803 of Title 16 of the Code of Federal Regulations as amended, and prepared in accordance with the requirements of that part, except that: (1) Items 4(a) and 5(a), (b) and (c) are not required to be completed by Defendant; and (2) subject to paragraphs V(A)(1) and V(A)(2) it shall not be subject to any limitations based on the value of the acquisition, and shall not require any filing fee.

(G) Defendant agrees that it shall not sell, close, or cease operations of any of its transfer stations in Vermont without providing written notice to the Attorney General at least 45 days prior to such action or receiving written waiver from the Attorney General of this notice requirement. Similarly, Defendant agrees that it shall not sell, close, or cease operations of any of its landfills accepting final disposal of solid waste from Vermont without providing written

notice to the Attorney General at least 45 days prior to such action or receiving written waiver from the Attorney General of this notice requirement. Notice requirements set forth in this paragraph shall not apply to temporary shutdowns for maintenance and other routine needs arising in the ordinary course of business, or in response to any safety concern, fire, accident, equipment failure, utility interruption, or other circumstances beyond Defendant's reasonable control.

(H) Section V shall expire on the fifth anniversary of the date of the entry of this Revised Final Judgment.

VI.

REPORTING

(A) To determine or secure compliance with this Revised Final Judgment, duly authorized representatives of the State of Vermont shall, on reasonable notice given to Defendant at its principal office, subject to any lawful privilege, be permitted:

(1) Access during normal office hours to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other documents and records in the possession, custody, or control of Defendant, which may have counsel present, where the Attorney General has reason to believe Defendant has violated this Revised Final Judgment, and the documents and records to be inspected and copied relate to the alleged violation of this Revised Final Judgment; and

(2) Subject to the reasonable convenience of Defendant and without restraint or interference from it, to interview officers, employees, or agents of Defendant, who may have counsel present, regarding any matters contained in this Revised Final Judgment.

(B) Upon written request of the State of Vermont, on reasonable notice given to Defendant at its principal office, subject to any lawful privilege, Defendant shall submit such written reports, under oath if requested, with respect to any matters contained in this Revised Final Judgment.

(C) No information or documents obtained by the means provided by this Section shall be divulged by the Plaintiff to any person other than a duly authorized representative of the Executive Branch of the State of Vermont, except in the course of legal proceedings to which the State of Vermont is a party, or for the purpose of securing compliance with this Revised Final Judgment, or as otherwise required by law.

(D) If at the time information or documents are furnished by Defendant to Plaintiff, Defendant represents and identifies in writing the material in any such information or document to which a claim of protection may be asserted under Rule 26(c)(7) of the Vermont Rules of Civil Procedure, and Defendant marks each pertinent page of such material "Subject to claim of protection under Rule 26(c)(7) of the Vermont Rules of Civil Procedure," then ten days notice shall be given by Plaintiff to Defendant prior to divulging such material in any legal proceeding (other than a grand jury proceeding) to which Defendant is not a party; except as required by law or court order.

(E) If, prior to the expiration of the Revised Final Judgment, Defendant issues any contract to a customer that contains form language related to Section IV that varies in any way from the language contained in the contract attached as Exhibit 1, a copy of that contract shall be submitted to the Office of the Attorney General, Public Protection Division, within 14 days of the first usage of the new contract.

VII.

FURTHER ELEMENTS OF JUDGMENT

(A) This Revised Final Judgment shall expire on the tenth anniversary of the date of its entry, except Section V which expires as provided in Section V(H), above.

(B) Jurisdiction is retained by this Court over this Revised Final Judgment and the parties hereto for the purpose of enabling any of the parties hereto to apply to this Court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this Revised Final Judgment, to modify or terminate any of its provisions, to enforce compliance, and to punish violations of its provisions.

VIII.

PENALTIES

In the event of a violation of this Revised Final Judgment, the Court may assess civil penalties as permitted by Title 9, Chapter 63 and as otherwise appropriate and permitted by law.

IV.

PUBLIC INTEREST

Entry of this Revised Final Judgment is in the public interest.

X.

COMPLIANCE PROGRAM

(A) Within 60 days of entry of this Revised Final Judgment, Defendant shall implement a compliance program for all of its operations in Vermont, as follows:

(1) Defendant shall create policies and procedures, memorialized in writing and maintained by Defendant's legal department, to assure that all changes to the terms of its customer contracts are approved by Defendant's legal department, and that Defendant is in

compliance with the Revised Final Judgment, including but not limited to all terms set forth in Section IV, as well as all applicable laws and regulations of the State of Vermont.

(2) The compliance policies and procedures shall include training to relevant employees regarding the Revised Final Judgment in the following form:

(i) All terms of the Prohibited Conduct set forth in Section IV shall be incorporated in Defendant's employee orientation program, employee manual and similar materials for relevant employees. Each employee whose job responsibilities relate to the Prohibited Conduct set forth in Section IV shall review the policies and procedures that are relevant to that employee's position when the employee begins working for Defendant, or when new policies and procedures are implemented, and undergo in-person training regarding compliance with the Revised Final Judgment on an annual basis.

(ii) Defendant shall maintain records documenting a log or similar method to track employees' review and training in the relevant policies and procedures. The log shall contain a list of all employees (names and job titles) whose job responsibilities relate to Section IV, and shall indicate when the employee has completed the review and training in the relevant policies and procedures. The log shall be made available to the State as provided in Section VI(A) through VI(D).

So Entered on this 15 day of August, 2011.

Presiding Judge

Casella Waste Management, Inc.
378 East Montpelier Road
Montpelier, VT 05602
(802) 223-7045
Fax (802) 888-5312

Service Contract

Account Number
Effective Service Start Date
Delivery Date

CUSTOMER INFORMATION

BILLING INFORMATION		SERVICE INFORMATION	
Company Name:		Company Name:	
Address:		Address:	
County:		County:	
Phone Number:		Phone Number:	
Fax Number:		Fax Number:	
Tax I.D. #:		Email:	
Contact Name:		Contact Name:	

NEW SERVICE INFORMATION

QTY	Container Type (FL, RL, RO)	Container Size	Service Frequency	Material Type	Rental Rate	Haul Rate	Disposal Site Code	Disposal Rate Per Ton	Extra Pickup Fee/ Delivery Fee	Monthly Service Fee
FL / RL Container Delivery Charge									$50.00	

Route Days Recycling	M	T	W	Th	F	Sat	Sun	TOTAL
Route Days MSW	M	T	W	Th	F	Sat	Sun	

PREVIOUS SERVICE INFORMATION

QTY	Container Type (FL, RL, RO)	Container Size	Service Frequency	Material Type	Rental Rate	Haul Rate	Disposal Site Code	Disposal Rate Per Ton	Extra Pickup Fee/ Delivery Fee	Monthly Service Fee

Industry Weight Estimate _____ Lbs/cu.yd Agreed Upon Term _____ Months

SPECIAL COMMENTS _____

I have read and understand the terms and conditions on page 2 of this contract

Customer Authorized Signature _____
Print Name and Title _____
Date: _____

Casella Waste Management Authorized Signature _____
Print Name and Title _____
Date: _____

Branch Manager Signature: _____ Date: _____

Note: Faxed Signatures will be treated as originals. Document is ☐ pages

Form No. 177-53

VERMONT SERVICE CONTRACT

TERMS AND CONDITIONS:

OUR COMMITMENT:

- To provide the proper equipment necessary to insure you the best quality of service in the industry relative to your recycling and solid waste needs.
- To continue to evaluate your recycling and solid waste service needs and to recommend better service alternatives based on new technology, alternate disposal methodologies, or changes in regulatory requirements.

YOUR COMMITMENT:

- Payment of the monthly invoice by the end of the month in which it's received.

REFERENCES: All references throughout this document to "us", "we" or "our" shall be deemed herein to be an operation owned by a subsidiary of Casella Waste Systems, Inc. for providing the services described and set forth herein.

CHANGES IN SERVICES: Changes in services or fees may be made by verbal or written agreement between us and are considered agreed upon with receipt of payment for new services or fees.

TERM: This Service Contract will be effective upon the signature date for the period defined on the front of the Service Contract.

DISPOSAL: We will dispose of waste material according to all applicable laws, regulations and ordinances. We will use a disposal facility (landfill, transfer station, etc.) that meets all legal and regulatory requirements and is the most overall cost effective disposal option.

RESPONSIBILITY OF DISPOSED MATERIAL:

We are responsible for all non-hazardous and recycling material once collected in our trucks.
You will be responsible for any fines or penalties and additional handling fees if you dispose of any hazardous material in our containers. Hazardous material is defined but not limited to: any substance that is toxic, ignitable, reactive, corrosive, acidic, radioactive, volatile, highly flammable, explosive, biomedical or infectious and that is regulated by any local government, state government or United States government including certain electronic devices categorized as Universal Waste.

WEIGHT: The weight of your waste material is a comprehensive part of the overall cost for service. On the reverse side we have specified a weight per cubic yard that is based on industry averages for similar businesses. We have used this weight as a component in calculating your monthly charge. If, through our weight evaluations, your actual weight doesn't meet this industry estimate we may adjust your monthly charge to reflect the change.

ADJUSTMENT: Components of our expenses for providing service include disposal, collection, fuel costs, consumer price index and other costs of doing business. Any increase in these costs may result in a proportionate increase in your monthly rate.

RESPONSIBILITY FOR EQUIPMENT AND PROPERTY

Equipment:

- We will deliver and install our equipment to the location specified by you on this Contract and/or addendum.
- We will maintain the equipment and repair any damage to the equipment that may occur as a result of normal wear and tear.
- We retain the right to charge you for any repairs as a result of any misuse of the equipment that occurs while our equipment is in your possession.

Property:

- Proper roadways, surfaces and pavement need to be provided in order to service your account and therefore, we are not responsible for damage to roadways, surfaces and pavement that are not suitable for access.
- We reserve the right to suspend service if suitable roadways or pavement are not provided.
- Container placement must be in mutually agreed upon designated areas

Cancellation: Although there is no early cancellation penalty, as your partner we are committed to resolving any issue that may arise. In the event that you are still not satisfied, we request you give us one month's notice.

INDEMNITY:

By signing this Service Contract, we agree to pay all costs, fines and legal fees incurred as the result of our gross negligence, willful misconduct or violation of the law that occurs during the handling of your non-hazardous waste and recycling material. We will also be responsible for all personal injury or property damage claims resulting from our gross negligence or willful misconduct.
By signing this Service Contract, you authorize us to enter your property to provide service, and you are responsible for keeping roadways and pavement suitable for access. You agree to indemnify, hold harmless and defend us against all claims, lawsuits, demands, costs of other liability resulting from or arising out of your gross negligence or willful misconduct while our equipment is in your possession. You will not hold us responsible for damage to our equipment or the improper use of our equipment by you, your employees, guests, or any persons on your premises.

We are committed to providing you, our customer and partner, with the highest quality of service available in order to build a sustainable, long-term business relationship.

STATE OF VERMONT

SUPERIOR COURT
Washington Unit

CIVIL DIVISION
Docket No. 296-5-02 Wncv

STATE OF VERMONT,
Plaintiff,

v.

CASELLA WASTE SYSTEMS, INC.,
Defendant.

STIPULATION FOR ENTRY OF REVISED FINAL JUDGMENT BY CONSENT AND ORDER

Plaintiff, State of Vermont ("the State"), by and through Vermont Attorney General William H. Sorrell, and Casella Waste Systems, Inc., ("Defendant"),[1] stipulate and agree as follows:

Violation of Assurance of Discontinuance

1. Defendant entered into an Assurance of Discontinuance with the State that was filed in this Court on May 22, 2002. *In Re Casella Waste Management Systems, Inc.*, Assurance of Discontinuance, Docket No. 296-5-02 Wncv ("the AOD").
2. One of the State's purposes in obtaining the AOD was to address its concern as to "evergreen" contracts in the waste hauling industry: contracts with provisions that made it difficult for customers to cancel their service with a waste management company, thereby resulting in barriers to entry for competing companies.
3. The AOD resolved allegations that Defendant had, among other things, "entered into written contracts with the vast majority of its existing small container customers . . . [that] make it more difficult and costly for customers to switch to a competitor of Casella." AOD at 2.

[1] "Defendant" means Casella Waste Systems, Inc., a Delaware corporation with its headquarters in Rutland, Vermont, and its officers, directors, managers, agents, employees, successors, assigns, parents, affiliates, and subsidiaries.

4. Among other provisions, the AOD prohibited certain terms in Defendant's small-container customer contracts and provided for stipulated penalties in the amount of $10,000 per violation of the AOD. Specifically, AOD Section VIII(B) stated: "If this Court enters an order finding Casella to be in violation of this Assurance of Discontinuance, then the parties agree that penalties to be assessed by the Court for each act in violation of this Assurance of Discontinuance shall be $10,000. For purposes of this Section VIII, the term 'each act' shall mean: each contract with a Customer into which Casella enters in violation of the provisions of this Assurance, or each separate act with respect to each Customer that Casella takes in violation of the provisions of this Assurance."

5. In 2009 and 2010, Defendant erroneously issued approximately 2,441 contracts to its customers which each contained at least one term that was prohibited by the AOD. The term that the parties agree was in violation of the AOD was as follows:

    a. Section IV(A)(8) of the AOD prohibits any contract term that "requires the Customer to give Respondent [Casella] notice of any offer by or to another solid waste hauling firm or requires the Customer to give Respondent a reasonable opportunity to respond to such an offer for any period not covered by the contract (sometimes referred to as a 'right to compete' clause)."

    b. Bullet 3 under "YOUR COMMITMENT" on the back of each contract described above states: "Grant us the right to match any written competitive offer that is provided to you by the competition."

6. In addition, the State alleges that the contracts described above also violated the 30-day termination provision in AOD Section IV(A)(3):

a. Section IV(A)(3) prohibits any contract term that "requires that the Customer give Respondent [Casella] notice of termination more than thirty (30) days prior to the end of any initial term or renewal term."

b. The back of each contract described above states: "CANCELLATION: As your partner we are committed to resolving any issue that may arise. In the event that you are still not satisfied, you agree to give us four months notice in writing so that we can find a new home for your container."

7. Defendant disagrees with the State's interpretation, submitting that AOD Section IV(A)(3) does not apply to the cancellation language quoted above.

8. In addition, the State alleges that the contracts described above also violated the prohibition on tying hauling of recyclables to hauling of waste in AOD Section IV(A)(10):

a. Section IV(A)(10) prohibits any contract term that "requires a Customer to give Respondent [Casella] the right or opportunity to provide hauling service for recyclables for a Customer unless the Customer affirmatively chooses to have Respondent provide such recycling services by so stating on the front of the contract."

b. Bullet 1 under "YOUR COMMITMENT" on the back of each contract described above states: "You give us the right to collect, dispose of, and process all of your non-hazardous waste and recycling materials generated at your location."

9. Defendant submits that, although none of the contracts described above includes a separate written affirmation on the front of the contract, the front of each of those contracts clearly delineates the categories of material that Defendant is authorized to collect.

10. In addition, the State alleges that several of the contracts described above have a renewal term longer than one year in violation of AOD Section IV(A)(2), which prohibits any contract that "has any renewal term longer than one (1) year."

11. Defendant disagrees with this interpretation, submitting that none of those contracts contained a "renewal term" under AOD Section IV(A)(2).

Lack of Compliance Program

12. Defendant acknowledges that factors leading to its violation of the AOD include its lack of written policies to prevent the alteration of such contracts without approval from the legal department, and its failure to train staff as to strict compliance with the AOD. Additionally, Defendant did not act immediately to bring its contracts into full compliance with the AOD.

Payment of Penalty

13. Defendant agrees to pay the State the sum of $1 million, as follows:

    a. $400,000 to be paid within 14 days of entry of the Revised Final Judgment;

    b. $200,000 to be paid on or before October 30, 2011;

    c. $200,000 to be paid on or before November 30, 2011;

    d. $200,000 to be paid on or before December 30, 2011.

Entry of Revised Final Judgment and Release

14. On May 22, 2002, the State and Defendant filed a Final Judgment by Consent and Order, which was attached as Exhibit E to the AOD ("the Final Judgment"), under seal with this Court in the above-referenced action.

15. The State and Defendant have agreed to a Revised Final Judgment, which has been filed with this Stipulation. The parties ask that the Court hereby enter that Revised Final Judgment.

16. In exchange for the Revised Final Judgment and other relief set forth above, the State agrees to and hereby does release Defendant from any and all claims arising from the facts and circumstances described or alleged in this Stipulation, including any claim that Defendant as of the date of this Stipulation has engaged in conduct in violation of Section IV(A)-(F) and Section V of the AOD. Nothing in the Revised Final Judgment or this Stipulation shall impair or limit the private right of action that any consumer, person, or entity may have against Defendant, nor shall it provide any person or entity with a private right of action against Defendant.
17. The Revised Final Judgment and this Stipulation have been negotiated by and among the State and Defendant in good faith.
18. The State and Defendant waive all rights to contest or appeal the Revised Final Judgment and they shall not challenge in this or any other proceeding the validity of, or the Court's jurisdiction to enter, the Revised Final Judgment, except as is provided by the Revised Final Judgment.
19. The Revised Final Judgment and this Stipulation set forth the complete agreement of the parties and may be altered, amended, or otherwise modified only by the parties' written stipulation to be incorporated in an order issued by the Court, or as is provided by the Revised Final Judgment.
20. The parties agree to this Stipulation in lieu of a complaint and further agree that the Revised Final Judgment may be entered by the Court.
21. Defendant consents to entry of the Revised Final Judgment with full knowledge and understanding of the nature of the proceedings and obligations imposed upon it and waives any formal service requirements of the Revised Final Judgment and this Stipulation.

STATE OF VERMONT, Plaintiff,	))
v.	)
CASELLA WASTE SYSTEMS, INC., Defendant.	))

STIPULATION FOR ENTRY OF REVISED FINAL JUDGMENT BY CONSENT AND ORDER

DATED at Montpelier, Vermont this 11th day of August, 2011.

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____
Sarah E.B. London
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, Vermont 05609
802.828.5479

DATED at Rutland, Vermont this 11th day of August, 2011.

CASELLA WASTE SYSTEMS, INC.

By: _____
John W. Casella
Chief Executive Officer and
Chairman of the Board of Directors

Approved as to form: _____
Ritchie E. Berger
Dinse, Knapp & McAndrew, P.C.
209 Battery Street
PO Box 988
Burlington, VT 05402

Counsel for Casella Waste Systems, Inc.

In the Matter of CIRCLE K STORES INC. and MAC'S CONVENIENCE STORES LLC.

ASSURANCE OF VOLUNTARY COMPLIANCE

This Assurance of Voluntary Compliance ("Assurance" or "AVC")[1] is entered into between the Attorneys General of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, Tennessee, Utah, Vermont, Virginia, Washington, Wyoming and the District of Columbia and Circle K Stores Inc., a for-profit corporation incorporated under the laws of Texas (hereinafter referred to as the "Company") and its sister company, Mac's Convenience Stores LLC, a for-profit corporation incorporated under the laws of Delaware (hereinafter collectively referred to as the "Company") which includes, but is not limited to, other companies acquired or incorporated and their respective states of operation.

WHEREAS, the Attorneys General allege that:

- more than 80% of regular adult smokers began smoking as children; and
- every day in the United States more than 2,000 children begin smoking cigarettes, and one third of those children will one day die from a tobacco-related disease; and
- the younger a person begins smoking, the more likely it is that he or she will be unable to quit in later life and will suffer a disease attributable to tobacco use; and
- youth demonstrate signs of addiction after smoking only a few cigarettes; and
- an estimated 690 million packs of cigarettes are sold illegally to children each year nationwide; and
- more than 400,000 Americans die each year from diseases caused by tobacco use; and

WHEREAS, the Company is a retailer of tobacco products; and

WHEREAS, an analysis performed by the Attorneys General of compliance check data collected by state authorities under the Synar Amendment, section 1926 (b)(2) of the Public Health Service Act, 42 U.S.C. 300x-26(b)(2)(1992), and state laws indicates that retail outlets operating under the Company's trademarks made tobacco sales to persons under the age of eighteen (18) in a number of controlled compliance checks; and

---

[1] With regard to Georgia and Virginia, this document will be titled an "Agreement." In Connecticut and New Hampshire, this will be referred to as an Assurance of Discontinuance. With regard to Tennessee, this Assurance is entered into in conjunction with the Tennessee Division of Consumer Affairs.

WHEREAS, the Attorneys General allege that such sales, and/or the corporate policies and practices that result in such sales, violate the Consumer Protection statutes[2] and/or other laws of their respective States; and

WHEREAS, the Company believes that it is in compliance with laws and regulations governing the sale of tobacco products; and

WHEREAS, the Company does not admit liability for any of the acts or practices described or referred to in footnote 2 nor agree that the Consumer Protection statutes create any liability on it in this regard; and

WHEREAS, the Company reaffirms its continuing commitment to responsible marketing of this age-restricted product and to the health and welfare of our nation's youth, and is committed to employing and enhancing tobacco retailing practices that are designed to prevent the sale of tobacco products to minors;

NOW, THEREFORE, the Attorneys General and the Company agree as follows:

I. DEFINITIONS

A. The term "Attorney General" refers to an Attorney General who is a party to this Assurance, and the term "Attorneys General" refers collectively to all such parties.

B. The term "business day" means a day which is not a Saturday or Sunday or legal holiday on which banks are authorized or required to close in New York, New York.

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[2] §§ 8-19-1, et seq., Deceptive Trade Practices, AL Code 1975 (AL); Alaska Unfair Trade Practices and Consumer Protection Act, AS45.50.471, et seq. (AK); A.R.S. 44-1521 et seq. (AZ); Arkansas Code Annotated 4-88-101 et seq. (AR); Cal. Bus. & Prof. Code 17200 et seq. (CA); Colorado Consumer Protection Act, C.R.S. 6-1-101 et seq. (2010) (CO); Conn. Gen. Stat. 42-110a et seq. (2011) (CT); 6 Del. C. 2512 et seq. and 6 Del. C. 2531 et seq. (DE); District of Columbia Consumer Protection Procedures Act, D.C. Code § 28-3901 et seq. (DC); Fla. Stat. Ann. 501.201, et seq. (West) (FL); O.C.G.A. § 45-15-3(GA); Haw. Rev. Stat. 481A-1 et seq. (HI); Idaho Code Section 48-601 et seq. (ID); Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/1 et seq. (IL); Iowa Code § 714.16 (2011) (IA); K.S.A. 50-623, et seq. (KS); KRS 367.110-367.300 (KY); La. Rev. Stat. Ann. 5 51:1501 (West) (LA); Maryland Code Annotated, Commercial Law Article Sections 13-101 - 13-410 (MD); 5 M.R.S.A 203-A, 5 M.R.S.A 210, 5 M.R.S.A. 205-A-214 and 10 M.R.S.A. 1211 (ME); Massachusetts Consumer Protection Act, M.G.L. c. 93A (MA); Michigan Consumer Protection Act, MCL 445.901 et seq. (MI) ; Miss. Code Ann. 75-24-1, et seq. (MS) ; Mont. Code Ann. 30-14-101 et seq. (MT); Nevada Revised Statutes Chapter 598 (NV); NH Rev. Stat. Ann. 358-A (2009 West, and Supp. 2001 West) (NH); N.J.S.A. 56:8-1 et seq. (NJ); New Mexico Unfair Practices Act; NMSA 1978, S 57-12-1 et seq. (1967); New York Executive Law 63(12) and General Business Law Article 22-A (NY); R.C. 1345.01 et seq. (OH); 15 0. S. 751 et seq. (OK); Oregon Unlawful Trade Practices Act, ORS 646.605 et seq. (OR); Unfair Trade Practices and Consumer Protection Law, 73 P.S. 201-1, et seq. (PA); Rhode Island Deceptive Trade Practices Act, R.I. Gen.Laws Sec. 6-13.1-1, et seq. (RI); Tex. Bus. & Com. Code § 17.41 et. seq. (West 2011) ("DTPA") (TX); Tenn. Code Ann. §§ 47-18-101 et seq. (TN); Utah Code Ann. 13-5-1 through 13-5-18& 13-11-1 through 13-11-23 (UT); Virginia Consumer Protection Act, Va. Code § 59.1-196 et seq. (VA); Vermont Consumer Fraud Act, 9 V.S.A. 2451, et seq. (VT); Wash. Rev. Code Ann. 19.86.100 (WA); Wyo. Stat. § 40-12-101 et seq. (WY).

C. The term "Company store" means a Circle K store or a Mac's Convenience store owned and operated by the Company (Circle K Stores Inc., or Mac's Convenience Stores LLC).

D. The term "Compliance Officer" refers to the person appointed by the Company pursuant to Part V.A.1.

E. The term "electronic age verification devices and systems" means cash registers, computerized systems, or electronic scanning or swiping equipment that assist a store employee in verifying the age of the customer.

F. The term "Franchisee" means an individual or entity that by a written franchise agreement has been granted the right to use the Company trademarks, trade dress, and other property to operate a Circle K store and conduct business under the Circle K name.

G. The term "Independent Entity" means an entity that is not owned by or affiliated with the Company and which conducts the compliance checks described in Part IV.

H. The term "Inside Advertising" means tobacco advertising located inside a Company store and window tobacco advertising signage facing into the Company store.

I. The term "minor" means a person under the legal age for purchasing tobacco products.

J. The term "person experienced in providing youth access training" means someone whom the Company determines has demonstrated a thorough understanding and working knowledge of the information and possesses the skills necessary to train others.

K. The term "smoking paraphernalia" means pipes, cigarette rolling papers, and cigarette rolling machines.

L. The term "States" refers to the States, Commonwealths, and the District of Columbia whose Attorneys General are parties to this Assurance.

M. The term "third party sale" means an adult purchasing tobacco products or smoking paraphernalia in order to furnish it to a minor.

N. The term "tobacco product" is intended to include cigarettes of all kinds (including bidis), cigars, loose tobacco, chewing tobacco, snuff, and any other form of tobacco.

O. The term "vending machine" means a mechanical or electrical device from which one or more tobacco products are dispensed in exchange for consideration.

P. The term "youth access" is used herein as a shorthand reference to age restrictions only on tobacco products contained in the laws of the various States.

II. PERSONNEL PRACTICES IN RELATION TO THE SALE OF TOBACCO PRODUCTS TO MINORS.

The Company shall adopt and enforce policies that implement the following personnel practices at Company stores relating to the sale of tobacco products to minors.

A. Hiring

1. The Company shall attempt to minimize the use of anyone under the legal age for purchasing tobacco for a position that may involve selling tobacco, or supervising anyone who sells tobacco, at a Company store.

2. Upon hiring an employee for a position (or upon first assigning an employee to a position) that involves selling tobacco, or supervising anyone who sells tobacco, at a Company store, the Company will inform the individual of the importance of compliance with laws relating to youth access. The information the Company provides shall include references to Company policies, legal consequences, and health concerns associated with youth access.

3. The Company shall ask all applicants for positions that involve the selling of tobacco, or supervising anyone who sells tobacco, at a Company store about past violations of prohibitions on selling or supplying tobacco to minors by that person or anyone under that person's supervision. The Company shall give any such violations due consideration in the hiring decision.

B. Training

1. Before assuming any job duties that involve or may involve the sale of tobacco at a Company store, a newly hired employee (or an employee being assigned to such a position for the first time) shall receive comprehensive training in the laws and Company policies relating to tobacco and shall be required to sign an acknowledgment or confirm electronically that he or she has read and understands the information provided. The Company may combine such youth access training with the training it provides its employees with respect to other age restricted products.

2. Such training shall be performed by a person experienced in providing youth access training, or if a computer-based training (CBT) format is utilized, the training shall be provided and reviewed by an employee with supervisory responsibility over the trainee's tobacco-related activities. The training shall include, at minimum, the following components: Such training shall be performed by a person experienced in providing youth access training, or if a computer-based training (CBT) format is utilized, the training shall be provided and reviewed by an employee with supervisory responsibility over the trainee's tobacco-related activities. The training shall include, at minimum, the following components:

    a) A review of applicable federal, state, and local laws relating to youth access;
    b) A review of all Company policies relating to youth access;
    c) An explanation of the reasons that the law and Company policy deem youth access an important matter, which shall include the following information:
        i. The age of most beginning users (currently the average age is fourteen (14));
        ii. Nicotine is addictive, and young people may show signs of addiction after smoking only a few cigarettes or using smokeless tobacco products for only a short time;
        iii. The younger a person becomes a regular tobacco user, the more likely it is that he or she will become addicted for life and that he or she will suffer serious health damage; and
        iv. More than 400,000 Americans die each year from tobacco-related diseases;
    d) An explanation that employee compliance with youth access laws and policies will be taken into account in connection with the employee's annual performance assessment, that failure to comply may constitute grounds for discharge, and that the Company actively monitors employee compliance by instructing store managers to assess performance on an on-going basis;
    e) A review of the range of tobacco products, and, where applicable smoking paraphernalia, to which Company policies and/or youth access laws apply;
    f) A review of identification procedures including:
        i. The age that triggers the I.D. requirement (see Part III.E.2);
        ii. Acceptable forms of I.D. (as listed in Part III.E.8);
        iii. Features of an I.D. that must be checked, with particular emphasis on the government-issued forms of identification most commonly possessed by adults in the market area;
        iv. How to tell if an I.D. may have been altered or is being misused; and

v. What to do if an I.D. appears altered or misused;

g) An explanation of the fact that many illegal sales are made to minors who produce I.D.'s showing that they are in fact under the legal age, and the importance of devoting the time and effort needed to perform the necessary calculation to establish that a customer is of legal age;

h) A review of prescribed methods, practical techniques, and stock phrases (where appropriate) for handling the following recurring situations:
   i. Asking for I.D.;
   ii. Making the necessary age calculation;
   iii. Declining to make a sale based on concerns relating to whether the I.D. has been altered or is being misused;
   iv. Recognizing a potential third party sale;
   v. Declining to make a sale that appears to be a third party sale;
   vi. Declining to make a sale of smoking paraphernalia; and
   vii. Resisting customer pressure and handling a customer's abusive conduct;

i) Actual or interactive practice of the methods, techniques, and phrases to be employed in the situations described in the preceding paragraph through role playing (for purposes of CBT training, computer interactive scenarios will satisfy this requirement);

j) Instruction that an employee is not required to make a tobacco sale, and must decline to do so, if the circumstances reasonably suggest that doing so would violate the laws or Company policies regarding youth access; and

k) Instruction on the proper use of electronic age verification devices and any other systems employed by the Company in connection with age screening for the purchase of tobacco products.

3. In the case of an employee under the age of twenty-one (21), training shall also emphasize the special challenges associated with declining to sell tobacco to underage persons who are friends, acquaintances, and/or peer group members, and on techniques and methods for meeting such challenges.

4. Within ninety (90) days of the Effective Date, the Company will have modified its existing written instructor training materials to conform to the requirements of Paragraphs 2 and 3. The parties understand that locality-by-locality specific revisions for CBT development and programming may take a longer period of time to complete. To provide adequate time for this development and programming to occur, the Company shall be permitted to utilize its current CBT programs for a period of one hundred twenty (120) days following the Effective Date, even if all of the topics specified above are not covered in the current CBT training programs.

5. The Company shall use a written or an electronic test designed to establish that its Company store employees whose duties involve the sale of tobacco products have fully acquired the knowledge required to perform in accordance with the laws and Company policies relating to youth access. Within ninety (90) days after the Effective Date, all new employees hired for a position, and all employees first assigned to a position, involving the sale or supervision of the sale of tobacco products at a Company store shall be required to pass the test prior to assuming those duties. Within ninety (90) days after the Effective Date, the Company shall begin to administer the test to all current employees selling or supervising the sale of tobacco products at a Company store, and all current employees shall be required to pass the test within one year of the Effective Date. Thereafter, each employee shall be required to pass the test on an annual basis. The Company shall retain for three (3) years a record of the tests completed by each employee.

6. The Company shall provide supplemental training to any employee it desires to retain who:

    a) Allegedly sells tobacco products to a minor at a Company store and the Company receives notice from a governmental agency of the alleged violation;
    b) Fails to pass a compliance check as set forth in Part IV.B;
    c) Fails to pass a compliance check pursuant to any program now existing or hereafter implemented by the Company; or
    d) Fails to pass the test described in Part II.B.5.

C. Supervision

1. The Company store managers shall be instructed to monitor staff compliance with youth access laws and policies on an on-going basis.

2. The Company shall inform its Company store managers that an important element of their performance assessments will be whether the staff under their supervision complies with youth access laws and policies.

III. TOBACCO RETAILING POLICIES AND PRACTICES

The Company shall adopt and enforce the following retailing policies and practices at Company stores.

A. Vending Machines

The company shall not use vending machines to sell tobacco products.

B. Restricted Sales Area

1. Inside Company stores, cigarettes and smoking paraphernalia shall be displayed for sale in one primary location and may be displayed for sale in no more than two secondary locations (such as near self-check lanes and secondary store exits), provided such secondary locations contain limited advertising. This section does not apply to fuel kiosk areas outside the stores.

2. Tobacco products shall be displayed and stored in an area designed to require an employee's assistance in retrieving a product from a restricted access location and designed not to permit a customer to take possession of the product without the sales associate's assistance.

C. Age Limitation on Sale of Smoking Paraphernalia

The Company shall have a policy requiring that no one under the legal age for purchasing tobacco is permitted to purchase smoking paraphernalia.

D. Cooperation in Enforcement of Youth Access Laws

The Company shall have a policy requiring that store personnel make every reasonable effort to cooperate in the enforcement of applicable youth access laws. At a minimum, the Company's policy shall require Company store employees to promptly inform their supervisor of violations by customers of laws:

1. Prohibiting the purchase or attempted purchase of tobacco by minors;

2. Prohibiting persons from supplying tobacco to minors;

3. Prohibiting the theft of tobacco; and

4. Prohibiting the alteration or misuse of a government-issued I.D. in connection with an attempt to purchase tobacco.

The supervisor will make reports of alleged violations to the Compliance Officer as specified in Part V.A.

E. Age Verification

1. The Company shall have in place adequate policies and procedures that are actively enforced and which prohibit the selling of tobacco products or smoking paraphernalia to minors.

2. The Company shall require its employees to obtain identification before sales are made from persons seeking to purchase tobacco who appear to be under the age of thirty (30) years in accordance with Part III.E.8.

3. To the extent practicable, the Company agrees to program its existing cash registers and, as existing cash registers are replaced with programmable ones, agrees to program new or replacement cash registers to:

    a) Lock when a tobacco product is scanned;
    b) Prompt the employee to I.D. the customer;
    c) Display the date on or before which the customer must have been born in order to make a legal tobacco purchase or, if it cannot be programmed in that manner, require the clerk to enter the birth date shown on the I.D. for customers seeking to purchase tobacco who appear to be under the age of thirty (30); and
    d) Indicate whether the tobacco sale can proceed.

4. The Company shall provide employees with ready access at point of sale to specialty calendars ("if born after this date...") or comparable devices, including warning screens, in order to provide that the age calculation required to be made when an I.D. is checked in connection with a tobacco sale can be easily and reliably performed and is actually made.

5. The Company shall have a policy that each person with responsibility for selling tobacco at a Company store shall be reminded each time he or she begins a shift of the importance of performing proper I.D. checks for tobacco purchases, through a sign-in-sheet, signs, a cash register prompt, or other means.

6. The Company shall monitor developments in technology relating to electronic age verification devices and systems and consider employing such devices and systems, to the extent reasonable and practicable, as they become available. This Assurance does not require the Company to use any particular device or system for age verification.

7. To the extent that the Company uses electronic age verification devices or systems that have the capacity to store data that would assist in evaluating whether the systems are being properly used by employees, it shall review such data periodically, use the data to assess employee performance, and provide remedial training and support, as necessary, for those employees who appear to need it. However, nothing in this Assurance authorizes or sanctions the retention of personally identifiable information for marketing or other purposes.

8. Unless otherwise required by law, the Company shall have a policy that only the following forms of photo-I.D. are acceptable for purposes of establishing legal age to purchase tobacco:

    a) Driver's License;
    b) State-Issued Identification Card;
    c) U.S. Passport;
    d) Military Identification Card; and
    e) U.S. Immigration Card.

    The I.D. must be current and valid.

F. Minimum Pack Size

The Company shall not sell single cigarettes or packages containing fewer than twenty (20) cigarettes.

G. Sale of Look-Alike Products

The Company shall not offer for sale candy, chewing gum, or similar products that themselves are designed to look like cigars and cigarettes.

H. Advertising

1. Tobacco advertising signage located outside the Company stores will be consistent with the terms of the Master Settlement Agreement executed on November 23, 1998 (the "MSA"). In the absence of any contrary notice of intent to institute legal proceedings by a State Attorney General, the Company shall be entitled to rely upon representations of tobacco manufacturers subject to the MSA that the signs provided for display outside the store are consistent with the terms of the MSA.

2. The Company will have a policy that prohibits Inside Advertising that appeals to or directly or indirectly targets youth. This policy will include internal procedures for reviewing all tobacco advertising before it is displayed in stores. It is agreed that Inside Advertising that is limited in content to brand names, logos, other trademarks, and pricing and is not displayed in a format that appeals to youth shall not violate the Company's policy. Within fifteen (15) business days of receipt of written notice to the Compliance Officer (Part V.A.1) from an Attorney General why he or she believes that signage at stores within his or her State appeals to or directly or indirectly targets youth in violation of the Company's policy, the Company shall remove any offending signage.

3. The Company will have a policy prohibiting tobacco signage within Company stores from being placed adjacent (within two (2) feet) to candy, toys, or other products typically purchased by or for children.

4. The Company shall not utilize tobacco advertising signs that are located outdoors or on windows facing outward at Company stores located within 500 feet of any public playground area or any elementary or secondary school and shall continue to attempt to eliminate the use of all outward facing signs at each such store.

5. Within fifteen (15) business days of receipt of written notice to the Compliance Officer (Part V.A.1) from an Attorney General that he or she believes that signage at a specific store within his or her State violates the provisions of Part III.H.1-4, the Company shall remove any offending signage.

I. Placement of Minimum Age Signs

In addition to meeting whatever signage and posting requirements or restrictions as may be embodied in local, state, or federal law, the Company shall post signs stating that persons who appear under the age of thirty (30) will be asked for identification before a sale of any age-restricted product is made. The signs shall be placed at the following locations:

1. On each door by which a customer may enter the establishment (facing out);

2. At each cash register at which tobacco is sold; and

3. At each tobacco product display.

J. Free Samples

The Company shall not permit the distribution of free samples of tobacco products anywhere on Company store premises, including walkways and any parking area. Discounts, multi-package pricing, and tobacco products provided in connection with a purchase of tobacco products, e.g. a two-for-one offer, will not be considered the distribution of free samples.

IV. MONITORING

A. General Requirements

1. The Company shall implement and maintain a program of compliance checks, designed to determine whether Company stores and their employees are in compliance with youth access laws and policies.

2. All compliance checks pursuant to this Part IV shall be unannounced. Procedures shall be adopted that provide that employees whose compliance is being checked (both clerks and supervisors responsible for the performance of the clerks) have no reason to know that a given attempt to purchase tobacco is actually a compliance check.

3. The compliance checks pursuant to this Part IV will determine whether the employee selling the tobacco product asked the purchaser to produce identification, whether the purchaser provided an acceptable form of identification (see Part III.E.8), whether the employee checked the identification to verify whether the purchaser is of legal age, and, in the case of an attempted purchase by a person who does not produce proper identification, whether the sale was consummated. A passed compliance check is one where the employee completes these tasks and, where appropriate, declines to make the sale.

B. Compliance Checks

1. The Company shall arrange for an Independent Entity reasonably acceptable to the Attorneys General to perform compliance checks beginning after June 30, 2011 at five hundred (500) or more Company stores (both Franchisee stores and Company stores as set forth in Part IV.B.2. below) that sell tobacco products each six months.

2. For each six (6) month period, the Independent Entity will randomly select the stores where compliance checks will be conducted, provided that all of the stores shall be located in States whose Attorneys General are parties to this Assurance. No store selected to be checked will be identified to the Company, directly or indirectly, until after the check of that store is completed. Approximately ninety percent (90%) of the stores selected will be Company stores, while the remaining ten percent (10%) will be stores operated by Franchisees.

3. Each of the Company's eight (8) autonomously operated regions shall implement its own program that will require compliance checks be conducted at a maximum of six (6) month intervals. Each subsequent program shall begin on the day after the previous program ends.

4. A compliance check shall consist of an attempt to purchase tobacco by a person chosen by the Independent Entity who:

    a) Is not employed by the Company;
    b) Is unknown to the staff of the selected store; and
    c) Is a person of legal age who is less than thirty (30) years of age.

5. The Company shall instruct the Independent Entity to perform the compliance checks for the purpose of obtaining an accurate and reliable indication of actual employee practices in connection with tobacco sales and not for the purpose of ensuring favorable results. When evaluating the performance of the Independent Entity, the Company shall apply the aforesaid criteria.

6. In the event that a store fails a compliance check, the Independent Entity shall conduct a second check ("re-check") of the store within sixty (60) days. The Independent Entity or the Company shall also conduct a re-check at each store that has received notice from a law enforcement agency of an alleged violation of law concerning the sale of tobacco products to minors that occurred after the Effective Date of this Assurance.

7. Within five (5) business days of each compliance check, including re-checks, the Independent Entity shall report the results to the manager of the store that was checked and to the Compliance Officer. Within five (5) business days after receiving notice of a compliance check, the Company shall communicate the result of the check to the employees (cashier and supervisors), in the case of Company stores, or the Franchisee, in the case of franchise stores, who were the subject of the test.

8. In the event of a failed compliance check by a Company store employee whom the Company intends to retain, the non-complying employee shall be informed of the test result, instructed on what constitutes proper compliance, and cautioned to avoid further instances of non-compliance. In addition, a Company representative shall meet with the non-complying employee at the earliest practicable time for the purpose of informing him or her of the consequences of the violation and any subsequent violations, providing remedial training and testing, and informing the employee that he or she will be the subject of additional compliance checks in the future.

9. A Company store employee who passes a compliance check and his or her immediate supervisor shall at the earliest practicable time be informed of the success and reminded that passing a compliance test is noted and is taken into account in the employee's performance assessment.

10. The parties recognize that a performance measure on compliance checks of ninety percent (90%) or higher for any six month testing period constitutes good performance for that period. In the event the Company attains a compliance check performance measure of ninety percent (90%) or higher at Company stores within any six (6) month period, the

Company may reduce the number of random checks conducted in the subsequent six (6) month period by twenty-five percent (25%). In the event the Company attains a compliance check performance measure of ninety percent (90%) or higher at Company stores for any two consecutive six month periods, the Company may eliminate the requirement to conduct checks.

C. Forbearance from Institution of Legal Proceedings

The Attorneys General agree not to institute legal proceedings based on any tobacco sales that are made during compliance checks conducted by the Company or compliance checks pursuant to this Assurance.

D. Recording Sales Transaction

In all Company stores that have one or more security cameras interfaced with the point-of-sale system in such store, the Company shall adopt the following procedures:

1. The security cameras shall continuously record sales transactions at the cash register and such recordings will be retained for at least thirty (30) days unless a specific request for same is received during that time period.

2. If a Company store receives a reported violation of youth access laws from a governmental authority, when appropriate and practicable, store managers shall periodically review portions of the recordings in order to monitor compliance with youth access laws and Company policies on the part of each employee who sells tobacco.

3. Such reviews shall be conducted in a manner that does not permit an employee to predict which shifts or transactions are likely to be reviewed.

4. As soon as practicable after each review is performed, the store manager shall meet with the employee whose performance was reviewed for the purpose of informing him or her of the fact that a review was performed and discussing the employee's performance. Employees who performed well shall be commended. If it is determined as a result of the review that an employee failed to comply with youth access laws and policies and the employee is being retained, the Company shall inform the employee of the consequences of the violation and any subsequent violations, provide remedial training and testing, and inform the

employee that he or she will be the subject of a compliance check in the future.

V. REPORTS

A. Compliance Officer

1. The Company shall designate its General Counsel as its Compliance Officer, which person shall be responsible for ensuring compliance with the terms of this Assurance and for taking the steps necessary to improve compliance with youth access laws at Company stores. In addition, each region within the Company may designate a Regional Compliance Officer to assist in the responsibilities assigned to the Company Compliance Officer. The Company shall have and enforce a policy that requires each of its store managers to report all violations of federal, state, and local laws concerning the purchase or attempted purchase of tobacco products by minors occurring at the store to the Company's Compliance Officer within five (5) business days of receipt of notice of the alleged violation. The Compliance Officer shall maintain a record of all reported alleged violations and their respective dispositions for a period of three (3) years.

2. Upon request of an Attorney General, the Compliance Officer shall cooperate in providing access to information relating to this Assurance, including but not limited to store-specific data on compliance with youth access laws.

B. Reports by the Independent Entity

1. The Company shall require by contract that the Independent Entity report the results of its compliance checks to a person designated by the participating Attorneys General to receive such reports.

2. The Independent Entity shall send reports to the designated representative of the participating Attorneys General at the same time they are sent to the Company.

3. The Attorneys General further agree that they and the person designated to receive reports from the Independent Entity will maintain the confidentiality of compliance check results, including without limitation prohibiting the disclosure of such results to other governmental authorities, to the extent permitted by law.

VI. FRANCHISE AGREEMENTS

A. The Company represents that its franchise agreements provide that Franchisees are independent contractors with control over the day-to-day operations of franchised stores, including without limitation the hiring, training, and supervision policies at such stores. With respect to stores operated by Franchisees, the Company shall make good faith efforts to effect compliance on the part of each Franchisee with local, state, and federal laws relating to youth access and with this Assurance as follows:

1. Within ninety (90) days of the Effective Date of this Assurance, the Company shall provide to each Franchisee: (i) correspondence reminding them of the importance of preventing underage sales of tobacco products and of complying with youth access laws, including broader requirements regarding other age restricted products, and noting the fact that failure to comply with youth access laws could constitute grounds for termination or non-renewal of their right to operate under the Company trademark at the non-complying outlet, and (ii) a copy of this Assurance or a summary of its terms together with a letter encouraging the Franchisees to implement similar policies related to their retailing of tobacco products. Thereafter, correspondence from the Company bearing a similar message shall be sent annually to each Franchisee.

2. Each new Franchisee will be required to undergo the same tobacco retailing training program as is administered by the Company to new Company store employees that will be selling or supervising the sale of tobacco products.

3. The Company will offer each Franchisee the opportunity to separately engage the same Independent Entity engaged by the Company for purposes of Part IV.B of this Assurance to conduct compliance checks at the Franchisee's stores at the Franchisee's expense. Compliance checks so engaged by the Franchisee will not be part of the Part IV.B compliance check program of the Company and the results of such checks will be communicated only to the Franchisee and the Company.

4. The Company will offer to make its hiring, training, marketing, advertising, and other policies required under this Assurance, as well as its youth access training materials (where such materials have been developed to reflect laws applicable to the Franchisee), available to Franchisees through the Company's existing mechanisms for the Franchisee's adaptation and use in its operations.

5. In evaluating available legal options to discipline, terminate, or non-renew a franchise agreement, the Company shall give appropriate consideration to violation(s) of youth access laws.

6. Each newly entered or renewed franchise agreement entered into by the Company shall incorporate provisions into all franchise agreements at the time the agreement is initiated or renewed that generally requires the Franchisee to: (i) comply with youth access laws, (ii) not permit on the premises the sale of tobacco products to underage persons, and (iii) notify the Company within five (5) business days, in writing, of any notices of violation received from local, state, or federal authorities concerning the sale of tobacco to minors. These requirements can be broader and cover general compliance with all laws and regulations that pertain to the store. The franchise agreement shall provide that the violation(s) of youth access and other laws could constitute grounds for termination or non-renewal of the trademark authorization or franchise agreement.

7. The Company will advise its Franchisees in writing of its advertising policies (Part III.H) and recommend to its Franchisees that they follow these policies.

VII. MISCELLANEOUS PROVISIONS

A. Written Policies

1. Company policies relating to tobacco shall be in writing or electronic form via the Company's intranet communication system. The Company shall provide a written or electronic copy of those tobacco policies relating to each employee who sells tobacco within ninety (90) days of the Effective Date or upon hiring if that occurs thereafter.
2. Company policies intended to prevent underage tobacco sales, including employee training and discipline policies, shall be no less stringent or comprehensive than policies intended to prevent underage alcohol sales, except where differences in the law require different policies.

3. Company policies shall embody the standards and practices set forth in this Assurance.

4. Within ninety (90) days of the Effective Date, the Company shall provide to a person designated by the Attorneys General a copy of the policies it adopts in order to comply with this Assurance. Thereafter it shall provide copies of any changes or modifications to such policies to a person designated by the Attorneys General within ten (10) days of such change or modification.

B. Implementation

Except where otherwise indicated in this Assurance, the Company agrees to adopt and implement the practices set forth in this Assurance on the following schedule:

1. Immediately upon the Effective Date, the Company will, if not already doing so, adopt and implement the following:

    a) Hiring age limitation (Part II.A.1);
    b) Vending Machines (Part III.A);
    c) Restrictions on selling area (Part III.B);
    d) Age limitations on smoking paraphernalia (Part III.C);
    e) Monitor electronic age verification technology (Part III.E.6);
    f) Minimum pack size (Part III.F);
    g) Free Samples (Part III.J); and
    h) Compliance Officer appointed (Part V.A.1).

2. Within sixty (60) days of the Effective Date, the Company will adopt and implement the following:

    a) Supplemental training using current materials (Part II.B.6);
    b) Supervision (Part II.C);
    c) Age verification (Part III.E) other than completing any necessary cash register programming pursuant to Part III.E.3;
    d) Cooperation with enforcement of youth access laws (Part III.D); and
    e) Franchise agreement provisions for new or renewed agreements (Part VI.A.6).

3. Within ninety (90) days of the Effective Date, the Company will adopt and implement the following:

    a) Providing information to new hires (Part II.A.2);
    b) Requesting violation information from applicants (Part II.A 3);
    c) Revisions to written training materials (other than CBT training-see Part II.B.4) and implementation of non-CBT training consistent with Assurance (Part II.B);
    d) New hire and first assignment employee testing (Part II.B.5);
    e) Sale of look-alike products (Part III.G);
    f) Advertising (Part III.H);
    g) Placement of minimum age signs (Part III.I);
    h) Franchisee letters (Part VI.A.1);
    i) Compliance Officer reporting system in place (Part V.A.2);
    j) Providing policies and information to employees (Part VII.A.1 and 2); and
    k) Provide policies to Attorneys General (Part VII.A.4).

4. Within one hundred and twenty (120) days of the Effective Date, the Company will have revisions to its Computer Based Training (CBT) materials completed (Part II.B.4).

5. Within one hundred fifty (150) days of the Effective Date, the Company will have the cash register programming completed (Part III.E.3).

6. Within one (1) year of the Effective Date, the Company will have completed annual testing of all existing employees subject to Part II.B.5.

C. Payment

The Company agrees to voluntarily pay the total sum of $225,000 to such accounts and addresses as the Attorneys General may direct within thirty (30) days after the Effective Date of the Assurance. Such sum is to be divided by the States as they agree, and is to be used by the individual States for attorney fees or costs of investigation, or it shall be placed in or applied to consumer education, public protection, or local consumer aid funds, including for the implementation of programs designed to decrease possession and use of tobacco products by minors or for any other purpose authorized by state law at the sole discretion of each State's Attorney General or as required by law.

D. Applicability

This Assurance shall be binding on the Company, its successors, and assigns.

E. Modifications

1. The parties reserve the right to discuss the viability of any or all of these provisions as they are implemented, having due regard for changes in laws and regulations, as well as changes in equipment, technology, or methodology of retail sales over time. In particular, to the extent that unlawful underage sales continue to occur in spite of the Company's compliance with the provisions of this Assurance, the Attorneys General expressly reserve any and all enforcement options available for addressing such non-compliance, including without limitation the right to renew discussions with the Company for the purpose of establishing additional and/or different practices, policies, or procedures designed to eliminate or further reduce underage tobacco sales.

2. Any modifications to this Assurance shall be by written agreement of the affected parties and, in the case of the Company, signed by a duly authorized officer of the Company holding the title of Senior Vice President or higher.

F. Scope of Agreement

1. This Assurance hereby releases and resolves any and all claims of the Attorneys General as may arise from Consumer Protection jurisdiction (pursuant to the statutes set forth in footnote 2) over the acts and practices of the Company and its employees, officers, directors, and agents relating to tobacco sales to minors occurring prior to the Effective Date. Nothing herein shall affect other remedies available to any state or local jurisdiction in connection with a past or future underage sale of tobacco at a particular retail location, including fines, administrative penalties, permit suspensions, or any other remedy, sanction, or penalty that may be available to state or local authorities under applicable law.

2. Prior to seeking enforcement of this Assurance, a signatory Attorney General shall contact the Compliance Officer and provide the Company thirty (30) days advance written notice prior to instituting any proceeding under the States' Consumer Protection jurisdiction alleging a violation of this Assurance.

G. Counterparts

This Assurance may be executed in counterparts.

H. Conflict with Applicable Laws

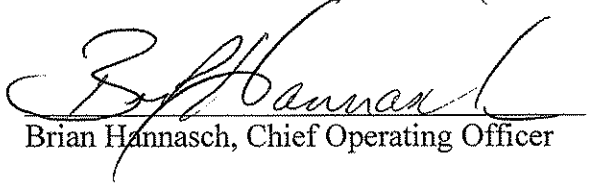
No provision of this Assurance is intended or shall be interpreted to authorize conduct in violation of applicable local, state, or federal law, which law supersedes any and all terms of this Assurance in conflict with such law.

I. Effective Date

This Assurance shall take effect on June 1, 2011.

DATED: 5-13-11

CIRCLE K STORES INC. and
MAC'S CONVENIENCE STORES LLC. (the "Company")

By: 
Brian Hannasch, Chief Operating Officer

Tom Horne
Attorney General
State of Arizona

Kamala D. Harris
Attorney General
State of California

Michael DeWine
Attorney General
State of Ohio

Rob McKenna
Attorney General
State of Washington

Luther Strange
Attorney General
State of Alabama

John W. Suthers
Attorney General
State of Colorado

John J. Burns
Attorney General
State of Alaska

Dustin McDaniel
Attorney General
State of Arkansas

George Jepsen
Attorney General
State of Connecticut

Joseph R. Biden III
Attorney General
State of Delaware

Irvin B. Nathan
Attorney General
District of Columbia

Pamela Jo Bondi
Attorney General
State of Florida

Samuel S. Olens
Attorney General
State of Georgia

David M. Louie
Attorney General
State of Hawaii

Lawrence G. Wasden
Attorney General
State of Idaho

Lisa Madigan
Attorney General
State of Illinois

Tom Miller
Attorney General
State of Iowa

Derek Schmidt
Attorney General
State of Kansas

Jack Conway
Attorney General
State of Kentucky

James D. Caldwell
Attorney General
State of Louisiana

William J. Schneider
Attorney General
State of Maine

Douglas F. Gansler
Attorney General
State of Maryland

Martha Coakley
Attorney General
State of Massachusetts

Steve Bullock
Attorney General
State of Montana

Jim Hood
Attorney General
State of Mississippi

Michael Delaney
Attorney General
State of New Hampshire

Gary K. King
Attorney General
State of New Mexico

John Kroger
Attorney General
State of Oregon

Peter F. Kilmartin
Attorney General
State of Rhode Island

Greg Abbott
Attorney General
State of Texas

William H. Sorrell
Attorney General
State of Vermont

Gregory A. Phillips
Attorney General
State of Wyoming

Bill Schuette
Attorney General
State of Michigan

Catherine Cortez Masto
Attorney General
State of Nevada

Eric T. Schneiderman
Attorney General
State of New York

Paula T. Dow
Attorney General
State of New Jersey

E. Scott Pruitt
Attorney General
State of Oklahoma

William H. Ryan Jr.
Acting Attorney General
Commonwealth of Pennsylvania

Robert E. Cooper Jr.
Attorney General
State of Tennessee

Mark Shurtleff
Attorney General
State of Utah

Ken Cuccinelli
Attorney General
State of Virginia

STATE OF VERMONT

SUPERIOR COURT
Washington Unit

CIVIL DIVISION
Docket No. 41-1-11 Wncv

STATE OF VERMONT,
Plaintiff,

v.

DONALD DORR, PATRICIA DORR,
and TRANSTAR LLC,
Defendants.

ORDER

STIPULATION OF SETTLEMENT AND CONSENT DECREE

To resolve the allegations in the Complaint filed in the above captioned matter, Plaintiff State of Vermont and Defendants Donald Dorr, Patricia Dorr, and Transtar LLC (hereinafter "Defendants") stipulate and agree to the following:

1. Defendants shall complete all essential maintenance practices ("EMPs") at the twenty-nine properties listed in Attachment A of the Complaint as follows:

   a. Any EMP work necessary at the properties will be completed by an individual who is certified by the Vermont Department of Health to perform EMPs.

   b. Priority for completion of EMPs at the properties shall be given to any properties where children are known to reside, particularly if the children are age 6 or younger.

   c. Defendants shall immediately ensure that access to exterior surfaces and components of the properties with lead hazards and areas directly below the deteriorated surfaces are clearly restricted as described in 18 V.S.A. § 1759(a)(3).

   d. Not later than January 15, 2011, Defendants shall complete all **interior** EMPs required by the lead law, including window well inserts, at all of the properties where children age 6 or younger reside. Defendant shall also provide the Attorney

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GENERAL
109 State Street
Montpelier, VT
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General's Office with a written update as to the progress of interior EMP completion at all of the remaining properties.

e. Not later than March 15, 2011, Defendants shall provide the Attorney General's Office with a second written update as to the progress of interior EMP completion at all of the remaining properties.

f. Not later than May 15, 2011, Defendants shall complete all **interior** EMPs required by the lead law at the remaining properties, including window well inserts unless the windows have been replaced with vinyl windows by this time.

g. Defendants shall provide written confirmation of completion of the interior EMPS to: Robert F. McDougall, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609. Written confirmation shall be provided no later than ten days after the dates specified in paragraphs 1(d), (e) and (f).

h. Not later than June 30, 2011, Defendants shall complete all **exterior** EMPs required by the lead law at nine of the twenty-nine properties.

i. Not later than July 10, 2011, Defendants will file with the Vermont Department of Health and with Defendants' insurance carrier, and will give a copy to an adult in each rented unit of any of the properties, a completed EMP compliance statement for each of the properties, and will also provide a copy of the completed EMP compliance statement to the Office of the Attorney General at the address provided in paragraph 1(g).

j. Not later than August 31, 2011, Defendants shall complete all **exterior** EMPs required by the lead law at ten more of the twenty-nine properties.

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k. Not later than September 10, 2011, Defendants will file with the Vermont Department of Health and with Defendants' insurance carrier, and will give a copy to an adult in each rented unit of any of the properties, a completed EMP compliance statement for each of the properties, and will also provide a copy of the completed EMP compliance statement to the Office of the Attorney General at the address provided in paragraph 1(g).

l. Not later than October 31, 2011, Defendants shall complete all **exterior** EMPs required by the lead law at the remaining properties.

m. Not later than November 10, 2011, Defendants will file with the Vermont Department of Health and with Defendants' insurance carrier, and will give a copy to an adult in each rented unit of any of the properties, a completed EMP compliance statement for each of the properties, and will also provide a copy of the completed EMP compliance statement to the Office of the Attorney General at the address provided in paragraph 1(g).

2. Defendants shall not rent, or offer for rent, any unit which becomes vacant in a property that is not EMP compliant until such time as the EMP work is complete and the EMP compliance statement is distributed as described above.

3. Defendants will endeavor in good faith to comply with the terms and conditions of this Consent Decree. In the event that Defendants wish to extend any of the compliance dates by agreement with the Attorney General's Office, the Attorney General's Office will exercise good faith and consider such request, provided that such request is made no later than 10 days in advance of the dates specified in this Consent Decree.

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4. Defendants shall fully and timely comply with the requirements of the Vermont lead law, 18 V.S.A., Chapter 38, as long as they maintain any ownership or property management service interest in the properties and in any other pre-1978 rental housing in which they acquire an ownership interest.

PENALTIES

5. Defendants shall pay seven thousand five hundred dollars ($7,500.00) in civil penalties to the State of Vermont. Payment shall be made to the "State of Vermont" and shall be sent to the Attorney General's Office at the address listed in paragraph 1(g). The payment may be made in three installments as follows: (a) at least two thousand five hundred ($2,500.00) payable no later than December 31, 2010; (b) at least two thousand five hundred ($2,500.00) payable no later than March 1, 2011; and (c) the remainder payable no later than July 1, 2011.

6. In addition to the payment described in paragraph 5, Defendants shall expend at least forty-two thousand five hundred dollars ($42,500.00), including the actual cost of materials and the actual (or if the work is done by employees of Defendants, the reasonable) cost of labor, on any or all of the following lead hazard reduction improvements at any of the properties or in any other pre-1978 rental housing in which Defendants acquire an interest:

a. Replacement of painted windows;

b. Replacement of painted doors;

c. Covering of painted exterior walls with siding; and

d. Replacement or covering of interior or exterior (including porch) floors and stairs with permanent carpeting or other permanent floor covering;

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GENERAL
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Montpelier, VT
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provided that the building component in question was installed and first painted before 1978; *and further provided that* Defendants may submit for prior approval other potential lead hazard reduction improvements (e.g. soil coverage) to the Attorney General's Office, which shall have complete discretion to determine whether the improvements count toward the required expenditure.

7. Up to ten thousand dollars ($10,000.00) of the expenditures described in paragraph 6 above may reflect work performed between November 1, 2009, and November 1, 2010. The remainder of the forty-two thousand five hundred dollar ($42,500.00) total must reflect work performed between November 1, 2010 and December 31, 2011.

8. Defendants shall provide written documentation of the expenditures to the Attorney General's Office at the address provided in paragraph 1(g).

9. Defendants shall provide the Attorney General's Office, at the address provided in paragraph 1(g), with four written updates on the status of the work described in paragraphs 6 and 7, including documentation of the amounts spent on lead hazard reduction improvements at the time of the update. The four updates shall be due: (1) no later than December 31, 2010; (2) no later than March 1, 2011; (3) no later than July 1, 2011; (4) no later than October 1, 2011.

OTHER RELIEF

10. Defendants may not sell any of the properties unless all obligations in paragraphs 1, 5, 6 and 7 have been completed or this Consent Decree is amended in writing to transfer to the buyer or other transferee all remaining obligations, except that:

a. If the total number of properties sold by Defendant is less than ten (10), then the obligations under this Consent Decree will remain in effect as to any properties not sold

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Montpelier, VT
05609

by Defendant as long as they provide the Attorney General's Office with written notice of each property sold at the time of sale. The buyer shall take the property subject to all applicable Vermont law, including the Vermont lead law, but no transfer of obligations or amendment of the Consent Decree will be necessary.

b. At such time as the total number of properties sold by Defendant exceeds ten (10), the Defendants and the Attorney General's Office will negotiate in good faith to determine if a transfer of obligations or amendment of the Consent Decree will be necessary.

11. Transfer of ownership of any of the properties shall be consistent with Vermont law, including the provisions of 18 V.S.A. § 1767 specifically relating to the transfer of ownership of pre-1978 rental housing.

12. This Consent Decree shall not affect marketability of title.

13. Nothing in this Consent Decree in any way affects Defendants' other obligations under state, local, or federal law.

14. If Defendants shall, at any time in the future fail to comply with the terms and conditions of this Consent Decree, then each future failure of Defendants to comply with the terms and conditions of this Consent Decree shall constitute a separate civil action for which the State of Vermont may pursue additional civil penalties beyond the civil penalty outlined herein.

STIPULATION

Defendants Donald Dorr, Patricia Dorr, and Transtar LLC acknowledge receipt of and voluntarily agree to the terms of this Consent Decree and waive any formal service requirements of the Complaint, Consent Decree, and Decree, Order and Final Judgment.

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109 State Street
Montpelier, VT
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DATED at Manchester, Vermont this 7th day of January, ~~2010~~ 2011.

Donald Dorr, individually and on behalf of Transtar LLC.

DATED at Manchester, Vermont this 7th day of January, ~~2010~~ 2011.

Patricia Dorr, individually and on behalf of Transtar LLC.

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

ACCEPTED on behalf of the State of Vermont:

DATED at Montpelier, Vermont this 19th day of January, 2010.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____

Robert F. McDougall
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, Vermont 05609

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

DECREE, ORDER AND FINAL JUDGMENT

This Consent Decree is accepted and entered as a Decree, Order and Final Judgment of this Court in the matter of: *State of Vermont v. Donald Dorr, Patricia Dorr and Transtar LLC*, Docket No. 41-1-11 Wncv.

SO ORDERED.

DATED at Montpelier, Vermont this 24 day of June, 2010.

Washington Superior Court Judge

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

In re DURHAM TECHNOLOGY, LLC	)	**CIVIL DIVISION**
d/b/a MYIPRODUCTS IMAIL and	)	**Docket No.** 158-3-11 Wncv
MYIPRODUCTS IMAIL, LLC	)	

ASSURANCE OF DISCONTINUANCE

WHEREAS Durham Technology, LLC, doing business as MyiProducts iMail and MyiProducts iMail, LLC (collectively referred to as "MyiProducts"), are Indiana limited liability companies with offices at 111 Monument Circle, Suite 4800, Indianapolis, IN 46204;

WHEREAS MyiProducts is a third-party provider of a voicemail service, the charges for which are placed on local telephone bills with the assistance of a San Antonio-based company called Enhanced Services Billing, Inc. (ESBI);

WHEREAS MyiProduct's charges to consumers averaged $14.95 per month;

WHEREAS during the period 2005 to 2010, MyiProducts charged a total of over $78,000 to more than 1,300 Vermonters for its services that appeared on local telephone bills in Vermont's area code 802;

WHEREAS sellers of goods or services that are to be charged on a consumer's local telephone bill are required under 9 V.S.A. § 2466 to mail a notice to the party to be charged, containing information specific in the statute;

WHEREAS MyiProducts did not send Vermont consumers a mailing as required by 9 V.S.A. § 2466, although it did send them an email that contained some, but not all, of the information required by the statute;

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WHEREAS MyiProducts did not send to Vermont consumers who were charged for its services on their local telephone bills a notice containing all of the information required by 9 V.S.A. § 2466;

WHEREAS the Attorney General alleges that MyiProducts violated the Vermont Consumer Fraud Act, 9 V.S.A. § 2466, by not complying with that provision's notice requirements;

AND WHEREAS the Attorney General is willing to accept this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459;

THEREFORE, the parties agree as follows:

1. *Injunctive relief.* MyiProducts shall comply strictly with all provisions of Vermont law, including but not limited to provisions of the Vermont Consumer Fraud Act, 9 V.S.A. chapter 63, relating to the placement of charges on local telephone bills associated with telephone numbers in area code 802.

2. *Consumer relief.*

a. For each consumer from which MyiProducts has received money through a charge on a local telephone bill with a number in area code 802, MyiProducts shall, within ten (10) business days of signing this Assurance of Discontinuance, arrange for an electronic credit record to the consumer's local telephone company in the amount of all such monies that have not been previously refunded. MyiProducts shall use due diligence to ensure that accurate credits are provided to each consumer to whom a credit is due.

b. If a credit record sent under the preceding paragraph is not accepted or is returned by the local telephone company, MyiProducts shall, within ten (10) days of learning of the non-acceptance or the return, send to the consumer, by first-class mail,

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

postage prepaid, a check in the amount of the credit due to the consumer's last known address, accompanied by a letter in substantially the form attached as Exhibit 1.

c. No later than 60 (sixty) days after signing this Assurance of Discontinuance, MyiProducts shall provide to the Vermont Attorney General's Office the names and addresses of the consumers whose telephone numbers were credited, and to which letters and payments were sent, under this Assurance of Discontinuance, along with the date and amount of each credit or payment.

d. No later than ninety (90) days after signing this Assurance of Discontinuance, MyiProducts shall pay the total dollar amount of all checks returned as undeliverable to the Vermont Attorney General's Office to be treated as unclaimed funds, along with a list in Excel format of the consumers to whom the monies due were not paid and their last known addresses.

3. *Civil penalties, fees and costs.* Within twenty (20) days of signing this Assurance of Discontinuance, MyiProducts shall pay to the State of Vermont, in care of the Vermont Attorney General's Office, the sum of ten thousand dollars ($10,000) in civil penalties and costs.

4. *Binding effect.* This Assurance of Discontinuance shall be binding on MyiProducts, its successors and assigns.

5. *Release.* The State of Vermont hereby releases and discharges any and all claims, whether known or unknown, that it may have against MyiProducts or its affiliates based on conduct or activities arising under or in connection with the Vermont Consumer Fraud Act prior to the date of this Assurance of Discontinuance.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

Date: 2/3/11

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

by: _____
Elliot Burg
Assistant Attorney General

Date: 2-8-11

DURHAM TECHNOLOGY, LLC
d/b/a MYIPRODUCTS IMAIL

by: _____
Its Authorized Agent

MYIPRODUCTS IMAIL, LLC

by: _____
Its Authorized Agent

APPROVED AS TO FORM:

_____
Elliot Burg
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, VT 05609
For the State of Vermont

_____
Thomas D. Collignon
Collignon & Dietrick, P.C.
310 North Alabama Street, Suite 250
Indianapolis, IN 46204
For Durham Technology, LLC
d/b/a MyiProducts iMail

Office of the ATTORNEY GENERAL
109 State Street
Montpelier, VT 05609

Exhibit 1 (Letter to Consumers)

Dear [Name of Consumer]:

Durham Technology, LLC, d/b/a MyiProducts iMail has entered into a settlement with the Vermont Attorney General's Office to resolve claims that we did not properly notify you of the fact that you would be billed on your local telephone bill for our services.

As part of that settlement, we are enclosing a refund check for all of these charges. You have no obligation to do anything in response to this payment.

Sincerely,

Durham Technology, LLC
d/b/a MyiProducts iMail

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GENERAL
109 State Street
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05609

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

In Re eBridge, Inc., a/k/a Lawstar, Inc., d/b/a B2B-ISP, eLink-ISP, InMyZip, MSMB2B-ISP, and Zip Wide Web, Inc., a/k/a ZWW-ISP	))))	**Civil Division** **Docket No.** 276-5-11 Wncv

ASSURANCE OF DISCONTINUANCE

WHEREAS eBridge, Inc., a/k/a Lawstar, Inc., d/b/a B2B-ISP, eLink-ISP, InMyZip, MSMB2B-ISP, and Zip Wide Web, Inc., a/k/a ZWW-ISP, (hereinafter referred to as "eBridge"), is a California corporation with offices 16133 Ventura Blvd., Suite 855, Encino, CA 91436;

WHEREAS eBridge is a third-party provider of an online business directory to businesses, the charges for which were placed on local telephone bills with the assistance of a San Antonio-based company called Enhanced Services Billing, Inc. (ESBI);

WHEREAS eBridge solicited Vermont businesses over the telephone to purchase its service;

WHEREAS eBridge's charges to businesses averaged $49.95 per month;

WHEREAS during the period 2004 to 2010, eBridge charged a total of $93,007 to 485 businesses for its services that appeared on local telephone bills in Vermont's area code 802, with $16,983 refunded;

WHEREAS sellers of goods or services that are to be charged on a consumer's (including a business') local telephone bill are required under 9 V.S.A. § 2466 to mail a notice to the party to be charged, containing information specified in the statute, including the consumer assistance address and telephone number specified by the Attorney General, which

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Montpelier,
Vermont 05609

notice must be a separate document sent for the sole purpose of providing that information and may not contain any inducement to purchase goods or services;

WHEREAS eBridge mailed notices to Vermont businesses that were charged for its services on their local telephone bills;

WHEREAS the Attorney General alleges that eBridge violated the Vermont Consumer Fraud Act, 9 V.S.A. § 2466, by not complying with that provision's notice requirements in that eBridge's notices (i) failed to include the consumer assistance address and telephone number specified by the Attorney General; and (ii) did not constitute separate documents sent for the sole purpose of providing the information required by the statute;

WHEREAS the script used by eBridge's telemarketers stated at the outset, "The reason I'm calling today is to make sure your information is listed correctly.";

WHEREAS the Attorney General alleges that the primary purpose of eBridge's calls was, instead, to solicit the purchase of its service, which was explained later in the company's telemarketing script;

WHEREAS the Attorney General therefore alleges that eBridge's script misrepresented the purpose of the company's sales calls, in violation of the Consumer Fraud Act prohibition on deceptive trade practices, 9 V.S.A. § 2453(a);

AND WHEREAS the Attorney General is willing to accept this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459;

THEREFORE, the parties agree as follows:

1. *Injunctive relief.* eBridge shall comply strictly with all provisions of Vermont law, including but not limited to provisions of the Vermont Consumer Fraud Act, 9 V.S.A. chapter 63, relating to the placement of charges on local telephone bills and the prohibition on deceptive trade practices.

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GENERAL
Montpelier,
Vermont 05609

2. *Consumer relief.*

a. For each business from which eBridge has received money through a charge on a local telephone bill with a number in area code 802, eBridge shall, within ten (10) business days of signing this Assurance of Discontinuance, arrange for an electronic credit record to the business' local telephone company in the amount of all such monies that have not been previously refunded. eBridge shall use due diligence to ensure that accurate credits are provided to each business to whom a credit is due.

b. If a credit record sent under the preceding paragraph is not accepted or is returned by the local telephone company, eBridge shall, within ten (10) days of learning of the non-acceptance or the return, send to the business, by first-class mail, postage prepaid, a check in the amount of the credit due to the business' last known address, accompanied by a letter in substantially the form attached as Exhibit 1.

c. No later than 60 (sixty) days after signing this Assurance of Discontinuance, eBridge shall provide to the Vermont Attorney General's Office the names and addresses of the businesses whose telephone numbers were credited, and to which letters and payments were sent, under this Assurance of Discontinuance, along with the date and amount of each credit or payment.

d. No later than ninety (90) days after signing this Assurance of Discontinuance, eBridge shall pay the total dollar amount of all checks returned as undeliverable to the Vermont Attorney General's Office to be treated as unclaimed funds, along with a list in Excel format of the businesses to whom the monies due were not paid and their last known addresses.

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GENERAL
Montpelier,
Vermont 05609

3. *Civil penalties, fees and costs.* Within twenty (20) days of signing this Assurance of Discontinuance, eBridge shall pay to the State of Vermont, in care of the Vermont Attorney General's Office, the sum of ten thousand dollars ($10,000.00) in civil penalties and costs.

4. *Binding effect.* This Assurance of Discontinuance shall be binding on eBridge, its successors and assigns.

5. *Release.* The State of Vermont hereby releases and discharges any and all claims that it may have against eBridge or its affiliates based on conduct or activities arising under or in connection with the Vermont Consumer Fraud Act prior to the date of this Assurance of Discontinuance.

Date: 3/31/11

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

by: _____
Elliot Burg
Assistant Attorney General

Date: 4/1/11

eBridge, Inc.

by: _____
Its Authorized Agent

Office of the
ATTORNEY
GENERAL
Montpelier,
Vermont 05609

APPROVED AS TO FORM:

Elliot Burg
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, VT 05609
For the State of Vermont

Peter J. Shakow, Esq.
Bird, Marella, Boxer, Wolpert,
Nessim, Drooks & Lincenberg, P.C.
1875 Century Park East, 23rd Floor
Los Angeles, CA 90067
For eBridge, Inc.

Exhibit 1 (Letter to Businesses)

Dear [Name of Business]:

eBridge, Inc. has entered into a settlement with the Vermont Attorney General's Office to resolve claims that we did not properly notify you of the fact that your business would be billed on your local telephone bill for our online business directory service, and that we used deceptive practices to interest you in buying our service.

As part of that settlement, we are enclosing a refund check for all of these charges. You have no obligation to do anything in response to this payment.

Sincerely,

eBridge, Inc.

Office of the
ATTORNEY
GENERAL
Montpelier,
Vermont 05609

STATE OF VERMONT

2011 APR 12 P 4:12

SUPERIOR COURT
Washington Unit

CIVIL DIVISION
Docket No. 224-4-11 Wncv

STATE OF VERMONT,
Plaintiff,

v.

FIRST VERMONT ODYSSEY, LLC
and FIRST VERMONT PROPERTIES,
LLC,
Defendants.

ASSURANCE OF DISCONTINUANCE

NOW COMES the State of Vermont, by and through Vermont Attorney General William H. Sorrell, and hereby accepts from First Vermont Odyssey, LLC and First Vermont Properties, LLC ("Defendants") this Assurance of Discontinuance, pursuant to 9 V.S.A. § 2459.

Background

The purpose of Vermont's lead law is to eliminate the risk posed by lead-based paint in housing. Lead-based paint is a leading cause of childhood lead poisoning, which can result in adverse health effects, including decreases in IQ. Before these health risks were known, lead-based paint was widely used in Vermont housing. Accordingly, all paint in pre-1978 housing is presumed to be lead-based unless a certified inspector has determined that it is not lead-based. 18 V.S.A. § 1759(a).

Defendants are the owners of the properties listed in Attachment A (hereinafter "the Properties"). The Properties are residential rental properties constructed before 1978. Therefore, the Properties are subject to Vermont's lead law, including the completion of annual essential maintenance practices ("EMPs") that are designed to, *inter alia*, reduce

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childhood lead poisoning. 18 V.S.A. § § 1751(19), 1759. EMPs include, but are not limited to, installing window well inserts, visually inspecting properties at least annually for deteriorated paint, restoring surfaces to be free of deteriorated paint within 30 days after such paint has been visually identified or reported to the owner, and posting lead paint hazard information in a prominent place. 18 V.S.A. § 1759(a)(2), (4) and (7). In addition to performing the EMPs, the Vermont lead law requires owners of rental housing to file annual compliance statements attesting to EMP performance with the Vermont Department of Health and with the owner's insurance carrier. 18 V.S.A § 1759(b). A copy of the compliance statement must be given to all tenants and to new tenants prior to entering into a lease agreement. 18 V.S.A. § 1759(b)(3) and (4). A violation of the Vermont lead law may result in a maximum civil penalty of $10,000.00. 18 V.S.A. § 130(b)(6). Each day that a violation continues is a separate violation. 18 V.S.A. § 130(b)(6).

In addition to the Vermont lead law, the Vermont Consumer Fraud Act, 9 V.S.A., Chapter 63, prohibits unfair and deceptive acts and practices, including the offering for rent, or the renting of, housing that is non-compliant with the Vermont lead law. Violations of the Consumer Fraud Act are subject to a civil penalty of up to $10,000.00 per violation. 9 V.S.A. § 2458(b)(1). Each day that a violation continues is a separate violation.

The Properties are not in compliance with the Vermont lead law. However, Defendants have informed the State they intend to complete EMP work at the Properties prior to June 1, 2011. As such, the parties have agreed to enter into this Assurance of Discontinuance to allow Defendants additional time to comply with Vermont's lead law.

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INJUNCTIVE RELIEF

Defendants agree to the following:

1. Defendants shall immediately ensure that access to exterior surfaces and components of the Properties with lead hazards, and areas directly below the deteriorated surfaces, are clearly restricted as described in 18 V.S.A. § 1759(a)(3).
2. On or before **June 1, 2011,** Defendants shall complete all EMP work at the Properties.
3. Defendants shall prioritize completing EMP work at any of the Properties where a child age 6 or under is residing.
4. Defendants shall ensure that all work performed at the Properties, whether by Defendants, their employees, or by hired contractors and/or painting companies, is performed using safe work practices consistent with 18 V.S.A. § 1760.
5. Defendants shall ensure that all contractors and/or painting companies have all necessary certifications, licenses, or permits required to perform the EMP work.
6. Defendants shall ensure that all contractors and/or painting companies performing EMP work on the Properties are aware of the provisions of 18 V.S.A. § 1760 and intend to use safe work practices.
7. Upon completion of the EMP work, but no later than **June 10, 2011**, Defendants shall file complete and accurate EMP compliance statements for each of the Properties with the Vermont Department of Health and with Defendants' insurance carrier(s). The EMP compliance statements for the Properties shall represent that exterior and interior EMPs have been completed.

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8. Defendants shall give a copy of the EMP compliance statements to an adult in each rented unit of the Properties.

9. Upon completion of EMPs at any of the Properties, but not later than **June 10, 2011**, Defendants shall provide proof the EMP work at the Properties is complete to the Office of the Attorney General at the following address: Robert F. McDougall, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609. Copies of the EMP compliance statements for the Properties shall be sufficient proof of completion.

10. If Defendants anticipate being unable to meet the deadline for completing EMP work, and such delay is solely due to the contractors' and/or painting companies' delay in completing the EMP work, Defendants may request an extension of the deadline from the Attorney General's Office. The request shall be made as soon as the delay is recognized but no later than 10 days prior to the deadline. Further, the request must be made in writing and must include an approximate date by which the work shall be complete. The request must be approved by the State.

11. If Defendants wish to extend the deadline to complete EMP work for any other reason than that mentioned in paragraph 10, Defendants must make a request for an extension in writing at least 10 days in advance of the deadline. No extension may be granted unless agreed to in writing by the State and Defendants.

12. Defendants shall comply with the requirements of the Vermont Lead Law, 18 V.S.A., Chapter 38 with respect to any ownership interest they have in the Properties and any other pre-1978 residential housing. Further, Defendants shall comply with the requirements of the Vermont Lead Law, 18 V.S.A., Chapter 38

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with respect to any property they provide property management services for, unless by property management contract, Defendants are explicitly not responsible for EMPs.

PENALTIES

13. Defendants shall pay civil penalties of six thousand ($6,000.00). Payment shall be due June 10, 2011. Defendants shall make payment to the "State of Vermont" and send payment to: Robert F. McDougall, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.
14. If Defendants comply with the requirements of this Assurance of Discontinuance the penalties provided in paragraph 13 shall be waived by the State of Vermont.
15. Defendants will be in compliance with this Assurance of Discontinuance if they file complete and accurate EMP compliance statements for the Properties by June 1, 2011, as described in paragraph 7, or by a date otherwise agreed to as provided in paragraph 11 above. If, however, the State determines that Defendants filed incomplete or inaccurate EMP compliance statements, the Defendants must pay the penalties set forth in paragraph 13. In addition, the State may seek to any other appropriate action under Vermont law, including the Vermont lead law.

OTHER RELIEF

16. This Assurance of Discontinuance is binding on Defendants. However, the Defendants may not sell any of the Properties unless all obligations set forth herein have been completed or this Assurance of Discontinuance is amended in writing to transfer to the new buyer or other transferee all remaining obligations.

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17. If the Defendants sell the Properties, or any interest therein, the transfer of ownership shall be consistent with Vermont law, including the provisions of 18 V.S.A. § 1767, relating to the transfer of ownership of target housing.
18. This Assurance of Discontinuance shall not affect marketability of title of the Properties.
19. Nothing in this Assurance of Discontinuance in any way affects the obligations of future owners of any of the Properties under Vermont law, including under the Vermont lead law.
20. Nothing in this Assurance of Discontinuance in any way affects Defendants' other obligations under state, local, or federal law.
21. Defendants' failure to comply with the Vermont lead law at any of the Properties, or violations of the terms of this Assurance of Discontinuance, shall be subject to additional penalties of no less than $10,000.00 per violation per day for each day the violation exists.

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APR 11 2011

Signature

By signing below, Defendants acknowledge and agree that the facts contained in the section entitled "Background" are true and voluntarily agree to and submit to all of the terms of this Assurance of Discontinuance.

DATED at Williston, Vermont this 4 day of April, 2011.

Evan Stainman as Managing-Member of First Vermont Odyssey, LLC

DATED at Williston, Vermont this 4 day of April, 2011.

Evan Stainman as Managing-Member of First Vermont Properties, LLC

Acceptance

In lieu of instituting an action or proceeding against Defendants, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance.

ACCEPTED on behalf of the State of Vermont:

DATED at Montpelier, Vermont this 12th day of April, 2011.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By:

Robert F. McDougall
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, Vermont 05609
802.828.3186

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ATTACHMENT A

With respect to Defendant First Vermont Odyssey, LLC:

1. 76 West Allen Street, Winooski, Vermont 05404;

With respect to Defendant First Vermont Properties, LLC:

2. 103 North Winooski Avenue, Burlington, Vermont 05401; and
3. 56 Cedar Street, Burlington, Vermont 05401.

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STATE OF VERMONT

SUPERIOR COURT
Washington Unit

CIVIL DIVISION
Docket No. 42 Wncv

ORDER
2011 DEC 15 P 3:30

2011 DEC 15 P 3:30

Proposed 770-12-11

STATE OF VERMONT,
Plaintiff,

FILED

FILED

v.

GAETAN MARCHESSAULT and
MARY JANE MARCHESSAULT,
Defendants.

CONSENT DECREE, FINAL ORDER AND JUDGMENT

To resolve the allegations in the Complaint filed in the above captioned matter, the parties, the State of Vermont and Defendants Gaetan Marchessault and Mary Jane Marchessault, stipulate and agree to the following:

1. Defendants no longer own the 76-78 Archibald Street property ("the property").
2. Defendants shall fully and timely comply with the requirements of the Vermont lead law, 18 V.S.A., Chapter 38, as long as they maintain any ownership interest in any pre-1978 residential housing in which they have or acquire an ownership interest or provide property management services (unless by property management contract Defendants are explicitly not responsible for EMPs).

PAYMENT

3. Defendants shall pay the sum of ten thousand dollars ($10,000.00) in civil penalties to the State of Vermont for the filing of a false Essential Maintenance Practices Compliance Statement for the property in April 2011 and to resolve the other allegations of the Complaint.

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4. Based on Defendants' demonstrated inability to pay the penalty listed in the preceding paragraph and upon a review of financial information provided to the State by Defendants, the State agrees to accept a reduced penalty of two thousand dollars ($2,000.00) provided that if it is determined that the financial information provided by Defendants is different in any material respect, the Attorney General may seek to impose the full penalty agreed to in paragraph 3.

5. Payment shall be made to the "State of Vermont" and shall be sent to the Attorney General's Office at the following address: Jessica Mishaan, Legal Assistant, Office of the Attorney General, 109 State Street, Montpelier, VT 05609-1001. The payment may be made in four installments as follows: (a) five hundred dollars ($500.00) shall be due upon Defendants' signature of this Consent Decree; (b) five hundred dollars ($500.00) shall be due no later than June 30, 2012; (c) five hundred dollars shall be due no later than December 31, 2012; and (d) five hundred dollars ($500.00) shall be due no later than June 30, 2013.

OTHER RELIEF

6. Nothing in this Consent Decree in any way affects the obligations of current or future owners of the property under Vermont law, including under the Vermont lead law.

7. Nothing in this Consent Decree in any way affects Defendants' other obligations under state, local, or federal law.

8. Any future failure by Defendants to comply with the Vermont lead law at any other properties referenced through this Consent Decree shall be subject to additional

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penalties of no less than one thousand dollars ($1,000.00) per violation per day for each day the violation exists.

9. In addition to any other penalties which might be appropriate under Vermont law, any future failure by Defendants to comply with the terms of this Consent Decree, shall be subject to a liquidated civil penalty in the amount of ten thousand dollars ($10,000.00) and additional penalties of no less than one thousand dollars ($1,000.00) per violation of the Consent Decree, per day for each day the violation exists.

STIPULATION

Defendants Gaetan Marchessault and Mary Jane Marchessault acknowledge receipt of and voluntarily agree to the terms of this Consent Decree and waive any formal service requirements of the Complaint, Consent Decree, Order and Final Judgment.

DATED at Burlington, Vermont this 6th day of December, 2011.

Gaetan Marchessault
Gaetan Marchessault

DATED at Burlington, Vermont this 6th day of December, 2011.

Mary Jane Marchessault
Mary Jane Marchessault

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ACCEPTED on behalf of the State of Vermont:

DATED at Montpelier, Vermont this 12th day of December, 2011.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____

Robert F. McDougall
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, Vermont 05609
802.828.3186

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

DECREE, ORDER AND FINAL JUDGMENT

This Consent Decree is accepted and entered as a Decree, Order and Final Judgment of this Court in the matter of: *State of Vermont v. Gaetan Marchessault and Mary Jane Marchessault*, Docket No. 770-12-11 Wncv.

SO ORDERED.

DATED at Montpelier, Vermont this 15th day of December, 2011.

Washington Superior Court Judge

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

STATE OF VERMONT

2011 JUN 27 P 4:02

ORDER

2011 JUN 23 A 11:55

SUPERIOR COURT
Washington Unit

Docket No. 390-6-11 Wncv

STATE OF VERMONT
Plaintiff

vs.

GLAXOSMITHKLINE LLC and SB PHARMCO PUERTO RICO, INC.,

Defendants.

FINAL CONSENT JUDGMENT

Plaintiff, STATE OF VERMONT, by WILLIAM H. SORRELL, Attorney General of the State of Vermont, has filed a Complaint for a permanent injunction and other relief in this matter pursuant to the Vermont Consumer Fraud Act, 9 V.S.A. §§ 2451-2466, alleging that Defendants GLAXOSMITHKLINE LLC (hereinafter "GlaxoSmithKline") and SB PHARMCO PUERTO RICO, INC. (hereinafter "SB Pharmco") committed violations of the aforementioned Act.

Plaintiff, by its counsel, and GlaxoSmithKline and SB Pharmco, by their counsel, have agreed to the entry of this Final Consent Judgment ("Consent Judgment") by the Court without trial or adjudication of any issue of fact or law, and without admission of wrongdoing or liability of any kind.

I. DEFINITIONS

The following definitions shall be used in construing this Consent Judgment:

A. "GlaxoSmithKline LLC" or "GlaxoSmithKline" shall mean GlaxoSmithKline LLC, all of its past and present officers, directors, shareholders, employees, subsidiaries, divisions, predecessors, and successors.

B. "SB Pharmco Puerto Rico, Inc." or "SB Pharmco" shall mean SB Pharmco Puerto Rico, Inc., all of its past and present officers, directors, shareholders, employees, subsidiaries, divisions, and predecessors.

C. "Covered Conduct" shall mean Defendants' production, manufacturing, processing, packing, holding, distribution, and sale of Covered Products manufactured at SB Pharmco's production facility at Cidra, Puerto Rico.

D. "Covered Products" shall mean those products, set forth in Exhibit A.

E. "Effective Date" shall mean the date on which a copy of this Consent Judgment, duly executed by Defendants and by the signatory Attorney General, is approved by, and becomes a Judgment, of the Court.

F. "Multistate Working Group" shall mean the Attorneys General and their staff representing Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Hawaii[1], Idaho, Illinois, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Missouri, Montana, Nebraska, Nevada, New Jersey, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Vermont, Washington, West Virginia, and Wisconsin.

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[1] Hawaii is being represented on this matter by its Office of Consumer Protection, an agency which is not part of the state Attorney General's Office, but which is statutorily authorized to undertake consumer protection functions, including legal representation of the State of Hawaii. For simplicity, the entire group will be referred to as the "Attorneys General," and such designation, as it includes Hawaii, refers to the Executive Director of the State of Hawaii Office of Consumer Protection.

G. "Multistate Executive Committee" shall mean the Attorneys General and their staff representing Arizona, Florida, Illinois, Maryland, Oregon, Pennsylvania, Tennessee, and Texas.

H. "Defendants" shall mean GlaxoSmithKline LLC and SB Pharmco Puerto Rico, Inc.

I. "Parties" shall mean the Vermont Attorney General and Defendants.

J. "Attorneys General" shall mean the Attorneys General of the Multistate Working Group.

II. PREAMBLE

A. The Attorneys General conducted an investigation regarding the Covered Conduct. The Parties have agreed to resolve the concerns related to the Covered Conduct under the State Consumer Protection Laws[2], as cited in footnote 2, by entering into this Consent Judgment.

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[2] ALABAMA- Deceptive Trade Practices Act, AL ST 8-19-1, 13A-9-42, 8-19-8; ALASKA -*Alaska Unfair Trade Practices and Consumer Protection Act*, AS 45.50.471 *et seq*;ARIZONA - *Arizona Consumer Fraud Act*, A.R.S. § 44-1521 *et seq.*; ARKANSAS – Deceptive Trade Practices Act, Ark. Code Ann.§4-88-101, *et seq.*;CALIFORNIA - Bus. & Prof Code §§ 17200 *et seq.*and 17500 *et seq.*; COLORADO- *Colorado Consumer Protection Act*, Colo. Rev. Stat. § 6-1-101 *et seq.*; CONNECTICUT - *Connecticut Unfair Trade Practices Act*, Conn. Gen. Stat.§§ 42-110a *et seq.*; DELAWARE - *Delaware Consumer Fraud Act*, Del. CODE ANN. tit. 6, §§ 2511 to 2527; DISTRICT OF COLUMBIA, *District of Columbia Consumer Protection Procedures Act*, D.C. Code §§ 28-3901 *et seq.*; FLORIDA - *Florida Deceptive and Unfair Trade Practices Act, Part II*, Chapter 501, Florida Statutes, 501.201 et. seq.; HAWAII - *Uniform Deceptive Trade Practice Act*, Haw. Rev. Stat. Chpt. 481A and Haw. 501.201 *et seq.*; IDAHO - Consumer Protection Act, Idaho Code Section 48-601 *et seq.*; ILLINOIS - *Consumer Fraud and Deceptive Business Practices Act*, 815 ILCS 505/2 *et seq.*; IOWA - *Iowa Consumer Fraud Act*, Iowa Code Section 714.16; KANSAS - *Kansas Consumer Protection Act*, K.S.A. 50-623 *et seq.*; KENTUCKY- *The Kentucky Consumer Protection Act*, KRS 367.110 et seq.; MAINE - *Unfair Trade Practices Act*, 5 M.R.S.A. § 207 *et seq.*; MARYLAND - *Maryland Consumer Protection Act*, Md. Code Ann., Com. Law §§ 13-101 *et seq.*; MASSACHUSETTS - Mass. Gen. Laws c. 93A, §§ 2 and 4; MICHIGAN - *Michigan Consumer Protection Act*, MCL § 445.901 *et seq.*; MISSOURI - *Missouri Merchandising Practices Act*, Mo. Rev. Stat. §§ 407 *et seq.*; MONTANA– *Montana Unfair Trade Practices and Consumer Protection Act*, Mont. Code Ann. § 30-14-101 *et. seq.*;NEBRASKA - *Uniform Deceptive Trade Practices Act*, NRS §§ 87-301 *et seq.*; NEVADA - *Deceptive Trade Practices Act*, Nevada Revised Statutes 598.0903 *et seq.*; NEW JERSEY - *New Jersey Consumer Fraud Act*, NJSA

B. This Consent Judgment reflects a negotiated agreement entered into by the Parties as their own free and voluntary act, and with full knowledge and understanding of the nature of the proceedings and the obligations and duties imposed by this Consent Judgment. Defendants are entering into this Consent Judgment solely for the purpose of settlement, and nothing contained herein may be taken as or construed to be an admission or concession of any violation of law or regulation, or of any other matter of fact or law, or of any liability or wrongdoing, all of which Defendants expressly deny. Through this Consent Judgment, Defendants do not admit any violation of law, and do not admit any wrongdoing that was or could have been alleged by any of the signatory Attorneys General before the date of the Consent Judgment. No part of this Consent Judgment, including its statements and commitments, shall constitute evidence of any liability, fault, or wrongdoing by Defendants. This Consent Judgment does not constitute an admission by Defendants that the Covered Conduct violated or could violate the State Consumer Protection Laws. It is the intent of the Parties that this Consent Judgment shall not be admissible or binding in any other matter, including, but not limited to, any investigation or litigation, other than in connection with the enforcement of this Consent Judgment. No part of this Consent Judgment shall create a private cause of action or convert any right to any third party for violation of any federal or state statute or law, except that an Attorney General may file an action

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56:8-1 *et seq.*; NORTH CAROLINA - North Carolina Unfair and Deceptive Trade Practices Act, N.C.G.S. 75-1.1, *et seq.*; NORTH DAKOTA - *Unlawful Sales or Advertising Practices*, N.D. Cent. Code § 51-15-02 *et seq.*; OHIO - *Ohio Consumer Sales Practices Act*, R.C. 1345.01, *et seq.*; OREGON - Oregon Unlawful Trade Practices Act, ORS 646.605 *et seq.*; PENNSYLVANIA - Pennsylvania Unfair Trade Practices and Consumer Protection Law, 73 P.S. 201-1 *et seq.*; RHODE ISLAND -*Rhode Island Deceptive Trade Practices Act,* Rhode Island General Laws§ 6-13.1-1, *et seq.*;SOUTH DAKOTA - *South Dakota Deceptive Trade Practices and Consumer Protection*, SDCL ch. 37-24; TENNESSEE - Tennessee Consumer Protection Act, Tenn. Code Ann.§ 47-18-101 *et seq.*; TEXAS - *Texas Deceptive Trade Practices-Consumer Protection Act*, TEX. BUS. & COM. CODE § 17.41, *et seq.*; VERMONT - Consumer Fraud Act, 9 V.S.A. §§ 2451 *et seq.*; WASHINGTON - *Unfair Business Practices/Consumer Protection Act*, RCW §§ 19.86 *et seq.*; WEST VIRGINIA - *West Virginia Consumer Credit and Protection Act*, W.Va. Code § 46A-1101 *et seq.*; WISCONSIN - Wis. Stat. § 100.18 (Fraudulent Representations).

to enforce the terms of this Consent Judgment. Nothing contained herein prevents or prohibits the use of this Consent Judgment for purposes of enforcement by the Vermont Attorney General.

C. This Consent Judgment does not create a waiver or limit Defendants' legal rights, remedies, or defenses in any other action by the Vermont Attorney General, and does not waive or limit Defendants' right to defend themselves from, or make arguments in, any other matter, claim, or suit, including, but not limited to, any investigation or litigation relating to the existence, subject matter, or terms of this Consent Judgment. Nothing in this Consent Judgment shall waive, release, or otherwise affect any claims, defenses, or other positions Defendants may assert in connection with any investigations, claims, or other matters the Attorneys General are not releasing hereunder. Notwithstanding the foregoing, the Vermont Attorney General may file an action to enforce the terms of this Consent Judgment.

D. This Consent Judgment does not constitute an approval by the Attorneys General of Defendants' business practices, and Defendants shall make no representation or claim to the contrary.

E. This Consent Judgment sets forth the entire agreement between the Parties hereto and supersedes all prior agreements or understandings, whether written or oral, between the Parties and/or their respective counsel, with respect to the Covered Conduct.

F. This Court retains jurisdiction of this Consent Judgment and the Parties hereto for the purpose of enforcing and modifying this Consent Judgment and for the purpose of granting such additional relief as may be necessary and appropriate.

G. This Consent Judgment may be executed in counterparts, each of which shall be deemed to constitute an original counterpart hereof, and all of which shall together constitute one and the same Consent Judgment. One or more counterparts of this Consent Judgment may be

delivered by facsimile or electronic transmission with the intent that it, or they, shall constitute an original counterpart hereof.

H. This Consent Judgment relates solely to the Covered Conduct.

III. COMPLIANCE PROVISIONS

A. Defendants shall not, as a result of the manner in which the Covered Products are manufactured, make any written or oral claim for the Covered Products that is false, misleading, or deceptive.

B. Defendants shall not, as a result of the manner in which the Covered Products are manufactured, represent that the Covered Products have sponsorship, approval, characteristics, ingredients, uses, benefits, quantities, or qualities that they do not have.

C. Defendants shall not, as a result of the manner in which the Covered Products are manufactured, cause likelihood of confusion or of misunderstanding as to the Covered Products' source, sponsorship, approval, or certification.

IV. DISBURSEMENT OF PAYMENTS: PAYMENT TO THE STATES

A. Within 30 days of the Effective Date of this Consent Judgment, Defendants shall pay $40.75 million to be divided and paid by Defendants directly to each Attorney General of the Multistate Working Group in an amount designated by and in the sole discretion of the Multistate Executive Committee.[3] Said payment shall be used by the Attorneys General for attorneys' fees and other costs of investigation and litigation, or to be placed in, or applied to, the consumer protection enforcement fund, consumer education or litigation or local consumer aid or revolving fund, used to defray the costs of the inquiry leading hereto, or for other uses permitted

[3] The State of Vermont's share is $530,937.

by state law, at the sole discretion of each Attorney General. The Parties acknowledge that the payment described herein is not a fine or penalty, or payment in lieu thereof.

V. REPRESENTATIONS AND WARRANTIES

A. GlaxoSmithKline acknowledges that it is a proper party to this Consent Judgment. GlaxoSmithKline further warrants and represents that the individual signing this Consent Judgment on behalf of GlaxoSmithKline is doing so in his or her official capacity and is fully authorized by GlaxoSmithKline to enter into this Consent Judgment and to legally bind GlaxoSmithKline to all of the terms and conditions of the Consent Judgment.

B. SB Pharmco acknowledges that it is a proper party to this Consent Judgment. SB Pharmco further warrants and represents that the individual signing this Consent Judgment on behalf of SB Pharmco is doing so in his or her official capacity and is fully authorized by SB Pharmco to enter into this Consent Judgment and to legally bind SB Pharmco to all of the terms and conditions of the Consent Judgment.

C. The Attorney General warrants and represents that he is signing this Consent Judgment in his or her official capacity, and that he is fully authorized by his State to enter into this Judgment, including, but not limited to, the authority to grant the release contained in Section VI of this Consent Judgment, and to legally bind his State to all of the terms and conditions of this Consent Judgment.

VI. RELEASE

A. By execution of this Consent Judgment, the State of Vermont releases and forever discharges Defendants and all of their past and present officers, directors, shareholders, employees, subsidiaries, divisions, parents, predecessors, successors, assigns, and transferees

(collectively, the "Released Parties"), from the following: all civil claims, causes of action, parens patriae claims, damages, restitution, fines, costs, attorneys' fees, remedies and/or penalties that were or could have been asserted against the Released Parties by the Attorney General under the Vermont Consumer Fraud Act, 9 V.S.A. §§ 2451-2466, or any amendments thereto, or by common law claims concerning unfair, deceptive, or fraudulent trade practices resulting from the Covered Conduct, up to and including the Effective Date of this Consent Judgment (collectively, the "Released Claims").

B. Notwithstanding any term of this Consent Judgment, specifically reserved and excluded from the Released Claims as to any entity or person, including Released Parties, are any and all of the following:

1. Any claims related to the marketing or promotion of rosiglitazone that do not relate to the manner in which the product was manufactured at the Cidra, Puerto Rico facility.
2. Any criminal liability that any person or entity, including Released Parties, has or may have to the State of Vermont;
3. Any civil or administrative liability that any person or entity, including Released Parties, has or may have to the State of Vermont, under any statute, regulation, or rule not expressly covered by the release in Section VI.A. including, but not limited to, any and all of the following claims:
    a. State or federal antitrust violations;
    b. Medicaid violations, including, but not limited to, federal Medicaid drug rebate statute violations, Medicaid fraud or abuse, and/or kickback violations related to Vermont's Medicaid program;

c. Claims involving "best price," "average wholesale price," or "wholesale acquisition cost;"

d. State false claims violations; and

e. Claims to enforce the terms and conditions of this Consent Judgment.

4. Actions of state program payors of the State of Vermont arising from the Covered Conduct, except for the release of civil penalties under the state consumer protection laws cited in footnote 2.

5. Any claims individual consumers have or may have under the State of Vermont's consumer protection laws against any person or entity, including Released Parties.

VII. CONFLICTS

A. If, subsequent to the Effective Date of this Consent Judgment, the federal government or any state, or any federal or state agency, enacts or promulgates legislation or regulations with respect to matters governed by this Consent Judgment that creates a conflict with any provision of the Consent Judgment and Defendants intend to comply with the newly enacted legislation or regulation, Defendants shall notify the Attorneys General (or the Attorney General of the affected State) of the same. If the Attorney General agrees, he shall consent to a modification of such provision of the Consent Judgment to the extent necessary to eliminate such conflict. If the Attorney General disagrees and the Parties are not able to resolve the disagreement, Defendants shall seek a modification from an appropriate court of any provision of this Consent Judgment that presents a conflict with any such federal or state law or regulation. Changes in federal or state laws or regulations, with respect to the matters governed by this

Consent Judgment, shall not be deemed to create a conflict with a provision of this Consent Judgment unless Defendants cannot reasonably comply with both such law or regulation and the applicable provision of this Consent Judgment.

VIII. DISPUTE RESOLUTION

A. For the purposes of resolving disputes with respect to compliance with this Consent Judgment, should any of the signatory Attorneys General believe that one or both Defendants have violated a provision of this Consent Judgment subsequent to the Effective Date, then such Attorney General shall notify that Defendant or those Defendants in writing of the specific objection, identify with particularity the provisions of this Consent Judgment that the practice appears to violate, and give Defendants 30 days to respond to the notification.

B. Upon receipt of written notice from any of the Attorneys General, each Defendant receiving such notice shall provide a good-faith written response to the Attorney General notification, containing either a statement explaining why that Defendant believes it is in compliance with the Consent Judgment or a detailed explanation of how the alleged violation occurred and statement explaining how and when that Defendant intends to remedy the alleged violation.

C. Except as set forth in Sections VIII.E and F below, the Attorney General may not take any action during the 30 day response period. Nothing shall prevent the Attorney General from agreeing in writing to provide Defendant with additional time beyond the 30 days to respond to the notice.

D. The Attorney General may not take any action during which a modification request is pending before a court pursuant to Section VII.A, except as provided for in Sections VIII.E and F below.

E. Nothing in this Consent Judgment shall be interpreted to limit the State's Civil Investigative Demand ("CID") or investigative subpoena authority.

F. The Attorney General may assert any claim that one or both Defendants have violated this Consent Judgment in a separate civil action to enforce compliance with this Consent Judgment, or may seek any other relief afforded by law, but only after providing Defendant or Defendants an opportunity to respond to the notification as described above; provided, however, that the Attorney General may take any action if the Attorney General believes that, because of the specific practice, a threat to the health or safety of the public requires immediate action.

IX. COMPLIANCE WITH ALL LAWS

A. Except as expressly provided in this Consent Judgment, nothing in this Consent Judgment shall be construed as:

1. Relieving Defendants of their obligation to comply with all applicable state laws, regulations, or rules, or granting permission to engage in any acts or practices prohibited by any law, regulation, or rule; or
2. Limiting or expanding in any way any right any state represented by the Multistate Working Group may otherwise have to enforce applicable state law or obtain information, documents, or testimony from Defendants pursuant to any applicable state law, regulation, or rule, or any right Defendants may otherwise have to oppose any subpoena, civil investigative demand, motion, or other procedure issued, served, filed, or otherwise employed by the State pursuant to any such state law, regulation, or rule.

X. GENERAL PROVISIONS

A. Nothing in this Consent Judgment is intended to modify the Settlement Agreement, effective December 15, 2010, between the State of Vermont and GlaxoSmithKline, LLC formerly known as SmithKline Beecham corporation, d/b/a GlaxoSmithKline, and SB Pharmco, Puerto Rico, Inc (collectively "GSK").

B. Nothing will prevent the Attorney General from agreeing in writing to provide Defendants with additional time to perform any act required by the Consent Judgment. The Attorney General shall not unreasonably withhold his consent to the request for additional time.

C. All notices under this Consent Judgment shall be sent by overnight United States mail. The documents shall be sent to the following addresses:

For GlaxoSmithKline LLC and SB Pharmco Puerto Rico, Inc.:

Matthew J. O'Connor
Covington & Burling LLP
1201 Pennsylvania Avenue, NW
Washington, DC 20004-2401

Barry H. Boise
Pepper Hamilton LLP
3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, PA 19103

APPROVED:

PLAINTIFF, THE PEOPLE OF THE STATE OF VERMONT

By: _____ Date: 6/23/11
Wendy Morgan, Chief, Public Protections Division

WILLIAM H. SORRELL
Vermont Attorney General

Wendy Morgan
Vermont Attorney General's Office
Public Protection Division
109 State Street
Montpelier, Vermont 05609
802-828-5479
rkriger@atg.state.vt.us

FOR GLAXOSMITHKLINE LLC

By: S. Mark Werner Date: 6.17.11

S. Mark Werner
Senior Vice President
GlaxoSmithKline LLC

FOR SB PHARMCO PUERTO RICO, INC.

By:_____ Date: June 16th 2011

Desmond P. Burke
Trustee
SB Pharmco Puerto Rico, Inc.

FOR DEFENDANTS GLAXOSMITHKLINE LLC AND SB PHARMCO PUERTO RICO, INC.

By: _____ Date: 4/20/11

Geoffrey E. Hobart
Matthew J. O'Connor
Covington & Burling LLP
1201 Pennsylvania Avenue, NW
Washington, DC 20004-2401

FOR DEFENDANTS GLAXOSMITHKLINE LLC AND SB PHARMCO PUERTO RICO, INC.

By: Barry H. Boise Date: 6/15/11

Nina M. Gussack
Barry H. Boise
Pepper Hamilton LLP
3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, PA 19103

Approved as to form:

By: John D. Monahan Date: June 14, 2011

John D. Monahan
Dinse, Knapp & McAndrew, P.C.
P.O. Box 988
Burlington, VT 05402-0988

Attorney for GlaxoSmithKline LLC and SB Pharmco Puerto Rico, Inc.

STATE OF VERMONT

SUPERIOR COURT Washington Unit	)	Docket No. _____
STATE OF VERMONT Plaintiff	)	
vs.	)	
GLAXOSMITHKLINE LLC and SB PHARMCO PUERTO RICO, INC., Defendants.	)	

FINAL CONSENT JUDGMENT

APPROVED BY THE COURT:

By: Geoffrey Crawford Date: 6/27/11

Superior Court Judge
Washington Superior Court
65 State Street
Montpelier, VT 05602

Exhibit A - Product Produced at Cidra, Puerto Rico facility 2001 - 2009

PRODUCT NAME
Abreva® (Docosanol) Cream 10 %
Albenza® (albendazole, USP)
Avandamet® (Roglitazone maleate/Metformin HCL)
Avandia® (Rosiglitazone Maleate)
Bactroban® (Mupirocin) Ointment
Bactroban Cream® (Mupirocin Calcium)
Tagamet® / Cimetidine USP / Tagamet® HB
Compazine®
Coreg® (carvedilol)
Denavir Cream® (Penciclovir)[1]
Dibenzyline®[2]
Dyazide®
Dyrenium®[2]
Ecotrin® Aqueous Film Coated
Factive® (gemifloxacin mesylate)[3]
Kytril® (Granisetron HCl)[4]
Paxil® (Paroxetine HCl)[5]
Paxil® Oral Suspension (Paroxetine HCL)
Paxil CR® (Paroxetine HCL)
Relafen® (Nabumetone)
Stelazine®
Thorazine®

[1] Divested as part of GlaxoSmithkline merger but manufactured at Cidra, until transferred to new owner (Novartis).

[2] Divested product: manufactured at Cidra, until transferred to new owner (Wellspring).

[3] Product manufactured under contract agreements with LG Life Sciences LTD (sold to Genesoft in 2002 before approved by the FDA in 2003).

[4] Divested as part of GlaxoSmithkline merger but manufactured at Cidra, until transferred to new owner (Roche).

[5] Generic version of product manufactured at Cidra but distributed by PAR Pharmaceutical.

UNITED STATES DISTRICT COURT
DISTRICT OF VERMONT

STATE OF VERMONT

Plaintiff

v. **Civil No.** 2:11-cv-16

HEALTH NET, INC., AND
HEALTH NET OF THE NORTHEAST, INC.

Defendants

CONSENT DECREE, FINAL ORDER AND JUDGMENT

1. The State of Vermont ("Vermont"), by and through Attorney General William H. Sorrell, ("AG") and Health Net, Inc., ("HN") and Health Net of the Northeast, Inc., ("HNNE") agree to settle the AG's claims arising from a missing portable hard drive of HNNE's and stipulate that this Consent Decree, Final Order and Judgment ("Judgment") may be entered by the Court as set forth below.
2. The terms of this Judgment represent a voluntary settlement of disputed allegations of facts and law. The parties have consented to the entry of this Judgment for the purpose of settlement only and agree that it does not constitute an admission of the violation of any law, rule, or regulation. Nothing in this Judgment shall be construed to limit HN and/or HNNE's ability or right to assert any legal, factual, or equitable defenses in any pending or future proceeding of any kind, except with respect to enforcement of this Judgment by the AG.

3. HN and HNNE consent to entry of this Judgment with full knowledge and understanding of the nature of the proceedings and obligations imposed upon them and waive any formal service requirements of the Complaint and Judgment.

4. The Court, having considered the pleadings and proposed Judgment executed by the parties, and with good cause appearing,

HEREBY ORDERS, ADJUDGES AND DECREES that Judgment may be entered in this matter as follows:

Jurisdiction

5. Jurisdiction of this Court over HN and HNNE and the subject matter of this Judgment is admitted for purposes of entering into and enforcing this Judgment pursuant to 42 U.S.C. § 1320d-5(d)(1), 28 U.S.C. § 1331, and 28 U.S.C. § 1367. Jurisdiction is retained by this Court for the purpose of enabling the parties to apply to this Court for further orders and directions as may be necessary or appropriate, or for execution of this Judgment, including further relief for any violation of this Judgment.

Parties

6. Vermont, by and through the AG, is charged, *inter alia*, with enforcement of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Pub. L. No. 104-191, 110 Stat. 1936, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 ("HITECH Act"), Pub. L. No. 111-5, 123 Stat. 226 (codified in part at 42 U.S.C. § 1320d-5(d)), the Vermont Security

Breach Notice Act, 9 V.S.A. §§ 2430-2435, and the Vermont Consumer Fraud Act, 9 V.S.A §§ 2451-2466.

7. HN is a publicly traded Delaware corporation with its main office located at 21650 Oxnard Street, Woodland Hills, CA 91367.

8. HNNE is a wholly owned subsidiary of HN with its main office located at One Far Mill Crossing, Shelton, CT 06484. At all times relevant to this matter, HNNE, through its subsidiaries, provided health insurance plans, including Medicare Advantage plans, to Vermont residents.

Recitals

9. On or about May 14, 2009, HNNE learned that a portable computer hard drive had disappeared from the desk of an IT associate at its Shelton, Connecticut office.

10. Before May 14, 2009, the hard drive had been shipped from HNNE's Shelton, Connecticut office to Rancho Cordova, California, to be copied onto HN's servers in Rancho Cordova. When the planned data migration could not be completed in California, the hard drive with all of its original contents was shipped back to Shelton, Connecticut. The drive was discovered missing after its return to Connecticut.

11. HNNE represents that the hard drive was shipped in a secure lock box during the trips to and from California. The information contained on the hard drive, however, was not encrypted, contrary to company policy, during either the trip to or from California.

12. HNNE did not create a log file of the collection and transfer of the data included on the hard drive.
13. The hard drive contained approximately 27.7 million scanned pages of documents related to the medical, personal, and financial information of approximately 1.5 million members of HN's health plan subsidiaries.
14. Included in the contents of the hard drive was the protected health information ("PHI" as that term is defined under HIPAA, 45 C.F.R. § 160.103), and personal information ("PI" as that term is defined under Vermont law, 9 V.S.A. § 2430(5)) of approximately 525 Vermont residents.
15. Neither HNNE nor HN reported the missing hard drive to the Connecticut police.
16. In order to determine the scope of the information contained on the missing hard drive and identify the members referenced therein, HNNE retained the forensic expert, Kroll, Inc., to conduct an investigation. Kroll's investigation included searching for the hard drive, interviewing relevant employees, duplicating the contents of the hard drive, determining the type and volume of information that was contained on the hard drive and issuing a report on its findings.
17. The data on the missing hard drive was saved in files with proprietary file extensions created by HNNE's document management system. Inside these files were TIF ("Tagged Image File") images that were scanned into the system.
18. HNNE represents that the images on the hard drive could only be viewed with appropriate viewing software.

19. HNNE represents that the data on the missing hard drive was randomly saved and not searchable. HNNE further represents that, because of the format of the data and the fact that data was randomly saved on the drive, HNNE could not readily determine the drive's content when it went missing. After Kroll recreated the missing hard drive, according to HNNE, the only way that it could have reviewed the images contained therein was to manually review page by page all twenty-seven million pages of images, which would have extended the amount of time necessary to identify and notify the members of HN's subsidiaries whose information was on the drive.

20. Accordingly, HNNE retained Navigant Consulting, Inc. ("Navigant"), to develop a computer program to mine the contents of the recreated drive for data necessary to identify and notify the members whose information was contained therein. Navigant's computerized process identified the majority of the documents on the recreated drive and the members of HN's subsidiaries referenced therein, but was not able to identify all such members referenced on the hard drive, necessitating further manual review which HNNE represents has now been completed.

21. HNNE and HN began mailing notice letters to Vermont residents whose PHI and PI was, or was reasonably believed to have been, contained on the hard drive on approximately November 30, 2009, more than six months after the drive was discovered missing.

22. The last notice letter to an affected Vermont resident was sent on approximately July 22, 2010.

23. No law enforcement agency requested that the consumer notice letters be delayed.

24. HNNE represents that it concluded there was a low risk of harm to Vermont residents because the data was randomly saved and not searchable, there were a large number of individuals referenced in the drive of which Vermont residents constituted a small percentage, it took HNNE approximately six (6) months to identify the majority of members referenced on the drive and no identity theft attributable to the loss of the hard drive has ever been brought to HN or HNNE's attention.

25. The November 30, 2009 notification letter to affected Vermont residents stated in part:

> The purpose of this letter is to inform you of a matter involving an unencrypted portable computer disk drive that was discovered missing from a Health Net office. The information on the disk drive is in the form of scanned images rather than raw data and covers the period from 2002 to mid-2009. Because of the nature of the files saved on this portable computer disk drive, we were initially unable to determine what information was on the disk drive. The investigation to make this determination was very lengthy and required a detailed forensic review by computer experts. However, we have now been able to determine that the disk drive contained your personal information such as your name, address, Social Security number and possibly your protected health and financial information.
>
> Fortunately, the files on the missing drive were not saved in a format that can be easily accessible and therefore, we believe the risk of harm to you is low.

26. To date, there is no evidence that any member of any HN subsidiary, including HNNE, has been victimized by fraud or identity theft as a result of the loss of the hard drive.

27. HNNE has provided credit monitoring services, credit restoration services, and up to $1 million dollars in personal internet identity insurance to all individuals referenced on the missing hard drive.

28. Since the date of this incident, HNNE has encrypted or will encrypt all external hard drives and other portable media used to transfer PHI or PI.

29. Since the date of this incident, HNNE has encrypted or will encrypt all desktop computers and hard drives of company laptops.

30. Since the date of this incident, HNNE has implemented or will implement technology that automatically logs all transfers and actual or attempted access of PHI and PI.

31. Since the date of this incident, HNNE has implemented or will implement a combination of hardware and software that resides between the email server and the email client that is designed to identify email or attachments containing PHI or PI and automatically encrypt email containing such identified information before transmission.

32. HNNE represents that it has spent in excess of $7 million dollars to remediate this incident for all affected members.

Injunctive Provisions

33. In addition to the remedial measures HNNE has and will undertake as set forth above, HNNE shall:

    a. Retain IBM as a third-party data security auditor to evaluate the extent to which HNNE's information security programs and practices ensure the

security, confidentiality, and integrity of PHI and PI and protect against future security breaches.

b. Provide the AG a written report that describes the auditor's assessment of HNNE's information security programs, describes the auditor's conclusions, identifies any of the auditor's recommended steps to improve HNNE's information security programs and practices, and identifies HNNE's plan for implementing the auditor's recommended steps.

c. Provide the AG an initial report outlined above by January 31, 2011, and a follow-up report by January 31, 2013. Each report shall be submitted to the AG consistent with the Notice provisions set forth below.

Payment to the State

34. HN and HNNE shall pay to the State of Vermont $55,000.00 (Fifty-Five Thousand Dollars), which shall be made payable to "The State of Vermont" and shall be provided by wire transfer in accordance with instructions provided by Vermont's counsel no later than five (5) business days after receipt by HN or HNNE of notice of entry of this Judgment.

Release

35. In exchange for the consideration set forth herein, the AG agrees to release HN and HNNE, their subsidiaries, affiliated entities and successors, and the officers, directors, members, agents, employees, and shareholders of each from all civil claims and causes of action for violations of the federal and state laws set forth in the Complaint, including any and all claims and causes of action for violations of

the federal and state laws alleged in the Complaint that the AG could have asserted or of which it was or is aware up to and including the effective date of this Judgment.

Enforcement, Costs, and Liquidated Damages

36. The terms of this Judgment shall be governed by the laws of the State of Vermont. The parties agree that the exclusive forum for resolving any disputes to enforce the terms of this Judgment shall be the United States District Court for the District of Vermont.

37. The AG shall not bring an action to enforce the terms of this Judgment until it has:

    a. provided notice to HN and/or HNNE that describes the manner in which the relevant entity is claimed to have violated the terms of the Judgment, and

    b. provided HN and/or HNNE a period of thirty (30) days from the date of the notice in which to cure the claimed violation.

38. The AG's obligation to provide notice and the right to cure under this section does not preclude the AG from seeking injunctive relief pursuant to the standards for obtaining such relief in this jurisdiction.

39. If the AG is required to commence a proceeding to enforce any provision of this Judgment, HN and/or HNNE agree to pay all reasonable costs and reasonable attorney's fees incurred in such enforcement in the event and to the extent that the AG prevails in any such enforcement action.

40. If the Court enters an order finding HN and/or HNNE to be in violation of paragraphs 33 and/or 34 of this Judgment, the parties agree that the penalty to be assessed by the Court shall be a minimum of $5,000.00 and a maximum of $10,000.00 for each violation of paragraphs 33 and/or 34.

Notice

41. Notices and reports to be provided under this Judgment shall be sent by nationally recognized overnight courier service or certified mail (return receipt requested) to the named party at the address below:

    a. If to HN and/or HNNE:

    Attorney Jeffrey L. Poston
    Crowell & Moring, LLP
    1001 Pennsylvania Ave, NW
    Washington, D.C. 20004-2595

    b. If to the AG:

    Sarah E.B. London
    Assistant Attorney General
    Vermont Attorney General's Office
    109 State Street
    Montpelier, VT 05609-1001

General Provisions

42. No waiver, modification, or amendment of the terms of this Judgment shall be valid or binding unless made in writing, signed by the party to be charged, and approved by this Court and then only to the extent set forth in such written waiver, modification, or amendment.

43. Failure by any party to this Judgment to insist upon the strict performance by any other party of any provision of this Judgment shall not be deemed a waiver of any

provisions of this Judgment, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the performance of any and all provisions of this Judgment and the imposition of any applicable penalties for failure to comply.

44. If any clause, provision, or section of this Judgment is held to be illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this Judgment, and this Judgment shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section, or other provision had not been contained herein.
45. Nothing in this Judgment shall be construed as relieving HN and/or HNNE of the obligation to comply with all state and federal laws, regulations, or rules.
46. Nothing in this Judgment shall be construed as limiting the AG's right to obtain documents, records, testimony, or other information pursuant to any law, regulation, rule, or other legal authority.
47. Nothing in this Judgment shall be construed to waive the sovereign immunity of the State of Vermont or any of its officers, agencies, agents, employees, or anyone else authorized to act on behalf of the State.

SO ORDERED, ADJUDGED and DECREED.

Entered this 20 day of Jan, 2011

By the Court:

Presiding Judge

Date: 1/14/11

STATE OF VERMONT
ATTORNEY GENERAL
WILLIAM H. SORRELL

Sarah E.B. London
Assistant Attorney General
109 State Street
Montpelier, VT 05609-1001

Date: 1/11/11

Health Net, Inc.

Linda V. Tiano, President
Regional Health Plans

Date: 1/11/11

Health Net of the Northeast, Inc.

Linda V. Tiano, President

Judgment entered on docket
Date: January 21, 2010

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

In re:	)	Chapter 11
	)	
MOVIE GALLERY, INC., et al.,	)	Case No. 10-30696 (DOT)
	)	
Liquidating Debtors.	)	
	)	

STIPULATION AND AGREED ORDER

This Stipulation and Agreed Order (the "Stipulation") is entered into between the First Lien Term Lenders Liquidating Trustee (the "Trustee"), on behalf of the First Lien Term Lenders Liquidating Trust (the "Trust") (each as defined in the Joint Plan of Liquidation of Movie Gallery, Inc. and Its Affiliated Debtors and Debtors in Possession (the "Plan") approved by the United States Bankruptcy Court for the Eastern District of Virginia (the "Court") in the above-captioned cases on October 28, 2010) and the Attorneys Generals[1] of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming (the "Attorneys General", and together with the Trustee, the "Parties"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan.

[1] The term "Attorneys General" shall be used to designate not only the signatory Attorneys General of the states but also the authorized representative within any jurisdiction signatory hereto that specifies an office other than that of the Attorney General to enter into agreements concerning matters relating to consumer protection.

WHEREAS:

1. Pursuant to the Plan, the Trustee is charged, among other things, with liquidating and collecting the Other Assets of the Estates. The Other Assets, as reflected on the Debtors' books and records, include accounts receivable from former customers of the Debtors related to alleged late fees and other alleged charges (collectively, the "Customer Accounts").

2. The Trustee, in the course of implementing the Plan, engaged Credit Control Services, Inc., ("CCS"), a Delaware corporation with headquarters located in Newton, Massachusetts, to handle the collection of the Customer Accounts.

3. CCS contracted with National Credit Solutions, LLC ("NCS") of Oklahoma City, Oklahoma to collect some of the Customer Accounts.

4. The Customer Accounts that the Trust referred for collection to CCS involve residents of all 50 states and the District of Columbia, and total approximately 3.3 million accounts with an aggregate of more than $244,000,000.00 in face amount.

5. The Attorneys General have raised a number of objections and concerns about the collection activities of CCS and/or NCS involving the Customer Accounts, and have also expressed concerns as to certain other issues related to the Customer Accounts. These objections and concerns include, but are not necessarily limited to:

a. Alleged lack of notice to consumers of the amounts allegedly owed;

b. Negative credit reporting regarding amounts allegedly owed;

c. Demands for collection fees in addition to the principal amounts allegedly owed by former customers of the Debtors;

d. Principal amounts which the Attorneys General assert to constitute "double charges" whereby a consumer is held responsible for both late fees and

product charges[2] for items purportedly rented;

e. Issues relating to the validity and/or enforceability of some or all of the Customer Accounts alleged to be due and owing, including, for example, issues relating to waiver, estoppel, and alleged lack of supporting documentation or other evidence to substantiate the alleged debts;

f. Consumer complaints directly challenging underlying amounts alleged to be due and owing; and

g. Issues relating to the collection tactics used by CCS and/or NCS with respect to their efforts to collect the Customer Accounts.

6. The Trustee contends that all actions taken by the Trust to date in connection with efforts to collect the Customer Accounts have been appropriate, and consistent with the Plan, the Debtors' customer agreements and applicable law.

7. NCS has advised the Trust that: (i) it furnished negative credit reporting information regarding the Customer Accounts to TransUnion and Experian but not to any other credit reporting agencies; (ii) by no later than January 29, 2011, NCS had requested that TransUnion and Experian reverse any negative credit reporting previously initiated by NCS with respect to any of the Customer Accounts, and (iii) NCS has already furnished to TransUnion and Experian all necessary information regarding the Customer Accounts to enable TransUnion and Experian to reverse all such negative credit reports.

8. NCS has also advised the Trust that, to the extent any collection fees were paid by customers as part of NCS's efforts to collect the Customer Accounts, the full amounts of such collection fees were paid to and retained by NCS, and no portion of such collection fees were paid

[2] A "Product Charge" is defined as a charge imposed by Hollywood Video or Movie Gallery for the value or cost of a rental item.

to or retained by the Trust.

9. The Trustee, with the approval and consent of the Trust's Oversight Committee, wishes to resolve the objections and concerns raised by the Attorneys General, in order that the Trust may proceed with efforts to collect valid Customer Accounts in a commercially reasonable and lawful manner. Subject only to the Court's approval of this Stipulation and Agreed Order, the Attorneys General have agreed that the Trustee may pursue the continued collection of valid Customer Accounts on the terms set forth below.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED:

A. **Rescission of All Previously Submitted Credit Reports**. The Trustee agrees to take such further steps, if any, as may be reasonably necessary and within the Trustee's power to assure that all negative credit reports submitted to any credit agency or bureau relating to the Customer Accounts are rescinded.

B. **No Future Credit Reporting and Future Collection Practices**. The Trustee agrees that no further reports will be submitted by the Trust, or by any collection agency or other agent acting on behalf of the Trust, to any credit reporting agency or bureau relating to the Customer Accounts at any time. The Trustee further agrees to take such steps as are reasonably necessary with CCS, NCS, and/or any other third party collection firm retained by the Trust to collect the Customer Accounts to assure that this provision is effectively implemented and adhered to. The Trustee shall also take all reasonably necessary actions to assure that any agent acting to pursue collection of any of the Customer Accounts expressly agrees that it shall comply with the provisions of the Fair Debt Collection Practices Act, applicable state laws, and with the venue provisions of 28 U.S.C. 1409(b) for any related litigation. Any collection agency utilized by the Trust to collect Customer Accounts shall also expressly agree that its employees and/or agents will

not state, suggest, imply or otherwise represent to any customer that their failure or refusal to pay the Customer Account could result in adverse credit reporting by the Trust or by the collection agency.

C. **No Future Collection of Fees or Interest**. The Trustee agrees that, in connection with any further efforts to collect the Customer Accounts, there shall be no collection fees or interest charges imposed on or added to the principal amounts owed by consumers on any of the Customer Accounts. The Trustee further agrees to take such steps as are reasonably necessary with CCS, NCS and/or any other third party collection firm retained by the Trust to collect the Customer Accounts to assure that this provision is effectively implemented and adhered to.

D. **Collection Fees Paid Prior to the Effective Date of this Stipulation.** The Trustee agrees to reasonably assist the Attorneys General in any effort to recover any collection fees that were improperly recovered by CCS or NCS prior to the effective date of this Stipulation, provided however, that such assistance shall not require the Trustee or the Trust to commence, prosecute or pursue any judicial or administrative action or similar proceeding. Reasonable assistance shall include, but not be limited to, obtaining information requested by the Attorneys General from Hollywood Video and Movie Gallery that relates to the Customer Accounts, or obtaining other information within the possession, custody or control of the Trustee which the Attorneys General deem reasonably necessary to pursue NCS or CCS with regard to their collection activities concerning the Customer Accounts

E**.** **Disputed Late Fees or Product Charges**. With respect to any individual consumer who has complained or does complain to the offices or agencies of any state, the Better Business Bureau, the Trustee or the Trustee's agents, specifically contending that no late fees or

Product Charges were due, and so long as such complaint has first been provided to the Trustee, the Trust agrees that it will undertake no further collection efforts with respect to that Customer Account without first completing a review of the Debtor's business records and concluding, based on such investigation, that there is a reasonable basis to conclude that such late fees and/or Product Charges are in fact due and owing in accordance with the contractual terms applicable to the customer. Upon the request of the Attorney General or other appropriate office or agency with jurisdiction over any such customer's complaint, the Trust will share the results of its aforementioned investigation with such office or agency, subject to such confidentiality restrictions as may be required by law, prior to authorizing CCS, NCS and/or any other third party collection firm retained by the Trust to resume collecting the Customer Account.

F. **No Recovery of Both Late Fee and Product Charges**. The Trustee agrees that for those Customer Accounts which include both a late fee and a Product Charge (for the same item), collection will be pursued only for the lesser of the two charges for any given rental item.

G. **No Recovery of Stand-Alone Product Charges.** The Trustee agrees not to pursue the collection of any Product Charges related to a specific transaction if the Product Charge is the only fee reflected on the Customer Account for that transaction.

H. **In the Event of the Sale of Customer Accounts.** To the extent that the Trustee transfers title to and ownership of any Customer Account to any third party, it agrees to do so pursuant to the following limitations:

i. Any such proposed sale or transfer shall include, as an attachment to the contract, a copy of this Stipulation and a term within the contract stating that the purchaser agrees that it is subject to the terms of this Stipulation as if it were the Trustee, including, but not limited to, any limitations regarding the use of third-party collection agencies and refraining from referring any Customer Account to any credit reporting agency or credit bureau.

ii. In addition to any notice or procedures required by the Court, the Trustee agrees to provide written notice to the Attorneys General of such pending sale at least 30 days prior to the completion of such sale. The notice should include:

a. the name and business contact information of the company to whom the debt is to be sold;
b. the contact information for the person with whom the sale is being negotiated; and
c. a copy of the proposed sale contract containing all terms of the agreement.

I. In consideration of the Trustee's agreement to, and subject to the Trustee's ongoing compliance with, the provisions of this Stipulation, the Attorneys General agree (i) not to interpose any generalized objections to the validity or legitimacy of the Customer Accounts, (ii) to take no actions to prevent, interfere with or delay the Trustee's collection of the Customer Accounts provided that such collection efforts are consistent with applicable state and federal law and with the terms set forth herein (subject to the rights of the Attorneys General to act on behalf of individual customer complaints as expressly provided for in the following sentence), and (iii) to assert no claims, actions or damages, and to seek no relief, whether legal or equitable, against the Trustees, the Trust, the beneficiaries of the Trust, the affiliates of any of the foregoing (which, for the avoidance of doubt, shall not include either CCS or NCS) or any of their respective professionals arising from the objections and concerns stated in above paragraph 5 of this Stipulation. Notwithstanding the foregoing, or any of the language included in Paragraph E, the Attorneys General reserve the right to take any and all appropriate actions reasonably necessary to assist any individual resident of their respective states in efforts to resolve concerns or disputes regarding a particular Customer Account, and the Trustee reserves all claims, rights and defenses of the Trust and of the Debtors with respect to any such Customer Account.

J. In consideration of the Attorneys' General agreement to the provisions of

this Stipulation, the Trustee, acting for and on behalf of the Trust and its beneficiaries, their agents, assigns, affiliates, successors and respective professionals, agrees to assert no claims, actions or damages, and to seek no relief, whether legal or equitable, against any of the Attorneys General for acts related to or arising out of the Attorneys' General investigation and/or the resolution of that investigation of the objections and concerns stated in above paragraph 5 of this Stipulation.

K. The Court shall retain exclusive jurisdiction over any disputes or claims arising from or related in any way to the Stipulation. Any motion or application brought before the Court to resolve a dispute arising from or related to this Stipulation and Agreed Order shall be brought on proper notice upon the undersigned parties in accordance with the relevant Federal Rules of Bankruptcy Procedure and the Local Rules of the United States Bankruptcy Court for the Eastern District of Virginia. Notwithstanding the foregoing, this Stipulation shall not vest jurisdiction in the Court over claims by a private party or public official, based on state or federal law, against any third party collection firm that is involved in attempting to collect the Customer Accounts.

L. Nothing in this Stipulation shall be construed to create, waive, or limit any right of action by any of the Parties against any third party collection agency. This Stipulation does not constitute a release or waiver of claims against any third party, including but not limited to CCS and/or NCS.

M. Nothing in this Stipulation shall be construed to create, waive, or limit any private right of action or any other action by any party other than the Attorneys General.

N. The Trustee’s agreement to comply with the provisions of this Stipulation shall be limited to Customer Accounts of customers resident within the jurisdictions of the respective Attorneys General, and the Trustee’s pursuit of the collection of Customer Accounts of

customers resident outside of the jurisdictions of the respective Attorneys General shall be unaffected by this Stipulation.

O. Nothing in this Stipulation shall be construed as relieving the Trustee of the obligation to comply with all state and federal laws, regulations or rules, nor shall any of the provisions of this Stipulation be deemed to be permission to engage in any acts or practices prohibited by such law, regulation, or rule.

P. Once approved by the Court, this Stipulation shall be binding on and inure to the benefit of the Parties hereto and their respective successors and assigns.

Q. The Parties' resolution, as set forth in this Stipulation, is acknowledged to be consensual.

R. The undersigned Parties hereby represent and warrant that: (i) they have full authority to execute this Stipulation and Agreed Order; (ii) they have full knowledge of, and have consented to, this Stipulation and Agreed Order; and (iii) they are fully authorized to bind themselves to all of the terms and conditions of this Stipulation and Agreed Order.

S. Each Party shall bear its own attorneys' fees and costs in connection with the matters resolved hereby.

T. This Stipulation shall not be modified, altered, amended or vacated without the written agreement of the Parties.

U. Beginning on the effective date of this Stipulation and Agreed Order, information regarding consumer complaints submitted to the Attorneys General and that relate to or arise out of the objections and concerns stated in above paragraph 5 of this Stipulation, including without reservation acts undertaken by any successor to the Trustee or unnamed collection agents, will be directed to the following designee at the addresses provided:

Hollywood Video/Movie Gallery Customer Service
c/o Mr. Ryan Storfa
7405 Southwest Tech Center Drive, Suite 130
Tigard, Oregon 97223
Email: customerrequests@hlyw.com

V. This Stipulation and Agreed Order may be signed in counterparts, and when taken together, shall constitute a single document.

W. This Stipulation and Agreed Order shall be effective immediately upon its entry by the Court, and no stay shall apply.

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Fair Business Practices Act

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CORLISS MOORE & ASSOCIATES, LLC, solely in its capacity as Liquidating Trustee for the First Lien Term Lenders Liquidating Trust

By: /s/ Steve Moore
Steve Moore, Trustee

LOCAL RULE 9022-1(C)(1) CERTIFICATION

Pursuant to the Local Rules, I certify under penalty of perjury that all necessary parties have endorsed this Stipulation and Agreed Order.

By: /s/ Michael A. Condyles

THIS STIPULATION IS SO ORDERED

Dated: May 5 2011
Richmond, Virginia

/s/ Douglas O. Tice Jr.
Chief Judge Douglas O. Tice, Jr.
United States Bankruptcy Judge

Entered on Docket: May 6 2011

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

In re THE INTERNET BUSINESS ASSOCIATION, INC.)	**CIVIL DIVISION** **Docket No.** 275-5-11 Wncv

ASSURANCE OF DISCONTINUANCE

WHEREAS The Internet Business Association, Inc. (hereinafter referred to as "IBA"), is a Delaware corporation with offices located at 5 Penn Plaza, 23rd Floor, New York, New York 10001;

WHEREAS IBA provides a suite of small business tools, including internet access, customized websites, business directory listings, email hosting and on-line data backup, the charges for which are placed on local telephone bills with the assistance of a San Antonio-based company called Enhanced Services Billing, Inc. (ESBI);

WHEREAS IBA solicited Vermont businesses over the telephone to purchase its service;

WHEREAS IBA's charges to businesses averaged $29.95 per month;

WHEREAS during the period 2007 to 2010, IBA charged over $86,000 to 435 businesses for its services that appeared on local telephone bills in Vermont's area code 802;

WHEREAS sellers of goods or services that are to be charged on a consumer's (including a business') local telephone bill are required under 9 V.S.A. § 2466 to mail a notice to the party to be charged, containing information specified in the statute;

WHEREAS the notice sent by IBA to Vermont businesses did not contain all of the information required by 9 V.S.A. § 2466;

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GENERAL
Montpelier,
Vermont 05609

WHEREAS the Attorney General alleges that IBA violated the Vermont Consumer Fraud Act, 9 V.S.A. § 2466, by not complying with that provision's notice requirements;

WHEREAS the script used by IBA's telemarketers stated at the outset, "Your company currently has a registration, at no charge to you, with the Internet Business Association. Can I please confirm that information we have for your registration is correct?";

WHEREAS the Attorney General alleges that the script used by IBA telesales representatives violated the Consumer Fraud Act's prohibition on deceptive trade practices, 9 V.S.A. § 2453(a) by misrepresenting the purpose of the call at the beginning of each call;

WHEREAS the Attorney General further alleges that IBA violated the right-to-cancel provisions of 9 V.S.A. § 2454 and Vermont Consumer Fraud Rule 113 for telephonic sales by not providing its customers with proper notice of their right to cancel;

WHEREAS upon receiving notice from the Attorney General, IBA voluntarily undertook to provide all Vermont businesses with a refund in the form of an electronic credit to their local telephone bill, and IBA states that as of the date of signing of this Assurance of Discontinuance, it has arranged for credits in the amount of all such monies that have not been previously refunded;

AND WHEREAS the Attorney General is willing to accept this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459;

THEREFORE, the parties agree as follows:

1. *Injunctive relief.* IBA shall comply strictly with all provisions of Vermont law, including but not limited to provisions of the Vermont Consumer Fraud Act, 9 V.S.A. chapter 63, relating to the placement of charges on local telephone bills, the prohibition on deceptive trade practices, and the right to cancel a telephonic transaction.

Office of the
ATTORNEY
GENERAL
109 State Street
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05609

2. *Consumer relief.*

a. For each business from which IBA has received money through a charge on a local telephone bill with a number in area code 802, IBA shall, within ten (10) business days of signing this Assurance of Discontinuance, arrange for an electronic credit record to the business' local telephone company in the amount of all such monies that have not been previously refunded. IBA shall use due diligence to ensure that accurate credits are provided to each business to whom a credit is due.

b. If a credit record sent under the preceding subparagraph is not accepted or is returned by the local telephone company, IBA shall, within ten (10) days of learning of the non-acceptance or the return, send to the business, by first-class mail, postage prepaid, a check in the amount of the credit due to the business' last known address, accompanied by a letter in substantially the form attached as Exhibit 1.

c. No later than sixty (60) days after signing this Assurance of Discontinuance, IBA shall provide to the Vermont Attorney General's Office the names and addresses of the businesses whose telephone numbers were credited, and to which letters and payments were sent, under this Assurance of Discontinuance, along with the date and amount of each credit or payment.

d. No later than ninety (90) days after signing this Assurance of Discontinuance, IBA shall pay the total dollar amount of all checks returned as undeliverable to the Vermont Attorney General's Office to be treated as unclaimed funds, along with a list in Excel format of the businesses to whom the monies due were not paid and their last known addresses.

Office of the
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05609

3. *Civil penalties, fees and costs.* Within twenty (20) days of signing this Assurance of Discontinuance, IBA shall pay to the State of Vermont, in care of the Vermont Attorney General's Office, the sum of ten thousand dollars ($10,000.00) in civil penalties and costs.

4. *Binding effect.* This Assurance of Discontinuance shall be binding on IBA, its successors and assigns.

5. *Release.* The State of Vermont hereby releases and discharges any and all claims that it may have against IBA or its affiliates based on conduct or activities arising under or in connection with the Vermont Consumer Fraud Act prior to the date of this Assurance of Discontinuance.

Date: 3/17/11

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

by: _____
Elliot Burg
Assistant Attorney General

Date: 4/15/11

The Internet Business Association, Inc.

by: _____
Its Authorized Agent

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09 State Street
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05609

APPROVED AS TO FORM:

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For the State of Vermont

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For The Internet Business Association, Inc.

Exhibit 1 (Letter to Consumers)

Dear [Name of Business]:

Under a settlement with the Vermont Attorney General's Office, we are enclosing a check to reimburse you for charges by our company, The Internet Business Association, that appeared on your local telephone bill.

If you have any questions about the settlement, you may call the Attorney General's Office at (802) 828-5507.

Sincerely,

The Internet Business Association

Office of the
ATTORNEY
GENERAL
Montpelier,
Vermont 05609

STATE OF VERMONT

SUPERIOR COURT
Washington Unit

CIVIL DIVISION
Docket No. 502-8-11 Wncv

STATE OF VERMONT, Order)
Plaintiff,)
)
v.)
)
JANE OSGATHARP,)
Defendant.)

STIPULATION OF SETTLEMENT AND CONSENT DECREE

To resolve the allegations in the Complaint filed in the above captioned matter, Plaintiff State of Vermont and Defendant Jane Osgatharp (hereinafter "Defendant") stipulate and agree to the following:

1. Defendant shall complete all essential maintenance practices ("EMPs") at the five properties listed in Attachment A of the Complaint ("the properties") as follows:

   a. Any EMP work necessary at the properties will be completed by an individual who is certified by the Vermont Department of Health to perform EMPs.

   b. Priority for completion of EMPs at the properties shall be given to any properties where children are known to reside, particularly if the children are age 6 or younger.

   c. Not later than **August 15, 2011**, Defendant shall complete all EMPs required by the lead law at the properties.

   d. Not later than **August 20, 2011**, Defendant will file with the Vermont Department of Health and with Defendants' insurance carrier, and will give a copy to an adult in each rented unit of any of the properties, a completed EMP compliance statement for each of the properties, and will also provide a copy of the completed EMP

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compliance statement to the Office of the Attorney General at the following address: Robert F. McDougall, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

2. Defendant shall not rent, or offer for rent, any unit which becomes vacant in a property that is not EMP compliant until such time as the EMP work is complete and the EMP compliance statement is distributed as described above.

3. Defendant shall fully and timely comply with the requirements of the Vermont lead law, 18 V.S.A., Chapter 38, as long as the Defendant maintains any ownership or property management service interest in the properties and in any other pre-1978 rental housing in which the Defendant acquires an ownership interest.

PENALTIES

4. No later than **August 31, 2011**, Defendant shall pay the sum of two thousand dollars ($2,000) to the State of Vermont. Payment shall be made to the "State of Vermont" and shall be sent to: Robert F. McDougall, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

5. In addition to the payment described in paragraph 4, not later than **October 31, 2011**, Defendant shall expend at least seven thousand dollars ($7,000.00), including the actual cost of materials and the actual (or if the work is done by employees of Defendant, the reasonable) cost of labor, on any or all of the following lead hazard reduction improvements at any of the properties or in any other pre-1978 rental housing in which Defendant acquires an interest:

a. Replacement of painted windows;

b. Replacement of painted doors;

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c. Covering of painted exterior walls with siding; and

d. Replacement or covering of interior or exterior (including porch) floors and stairs with permanent carpeting or other permanent floor covering;

provided that the building component in question was installed and first painted before 1978; *and further provided that* Defendant may submit for prior approval other potential lead hazard reduction improvements (e.g. soil coverage) to the Attorney General's Office, which shall have complete discretion to determine whether the improvements count toward the required expenditure.

6. Defendant shall provide written documentation of the expenditures to the Attorney General's Office at the address provided in paragraph 1(f) by **October 31, 2011**.

7. If Defendant anticipates not being able to fully comply with paragraphs 5 and 6 by October 31, 2011, solely due to delays relating to obtaining zoning or permit approval for the work to be performed, Defendant may request an extension of the October 31, 2011 deadline from the Attorney General's Office; such request shall be made no later than **October 20, 2011**.

OTHER RELIEF

8. Defendant may not sell any of the properties unless all obligations in paragraphs 1, 4, 5 and 6 have been completed or this Consent Decree is amended in writing to transfer to the buyer or other transferee all remaining obligations.

9. Transfer of ownership of any of the properties shall be consistent with Vermont law, including the provisions of 18 V.S.A. § 1767 specifically relating to the transfer of ownership of pre-1978 rental housing.

10. This Consent Decree shall not affect marketability of title.

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11. Nothing in this Consent Decree in any way affects Defendant's other obligations under state, local, or federal law.

12. If Defendant shall, at any time in the future, fail to comply with the terms and conditions of this Consent Decree, then each future failure of Defendant to comply with the terms and conditions of this Consent Decree shall constitute a separate civil action for which the State of Vermont may pursue additional civil penalties beyond the civil penalty outlined herein.

STIPULATION

Defendant Jane Osgatharp acknowledges receipt of and voluntarily agrees to the terms of this Consent Decree and waives any formal service requirements of the Complaint, Consent Decree, and Decree, Order and Final Judgment.

DATED at Montpelier, Vermont this 31 day of July, 2011.

Jane Osgatharp

Approved as to form:

DATED at Waterbury, Vermont this 31 day of August, 2011.

Jeffrey P. Kilgore, Esq.

Office of the ATTORNEY GENERAL
109 State Street
Montpelier, VT
05609

ACCEPTED on behalf of the State of Vermont:

DATED at Montpelier, Vermont this 9th day of August, 2011.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____

Robert F. McDougall
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, Vermont 05609

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DECREE, ORDER AND FINAL JUDGMENT

This Consent Decree is accepted and entered as a Decree, Order and Final Judgment of this Court in the matter of: *State of Vermont v. Jane Osgatharp*, Docket No. 502-8-11 Wncv.

SO ORDERED.

DATED at Montpelier, Vermont this 15 day of August, 2011.

Washington Superior Court Judge

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STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

In re LIVEONTHENET.COM, Inc.) **CIVIL DIVISION**
Docket No. 274-5-11 Wncv

ASSURANCE OF DISCONTINUANCE

WHEREAS Liveonthenet.com, Inc. (hereinafter referred to as "LON"), is a Delaware corporation with offices at 200 Clinton Avenue, Huntsville, AL 35801;

WHEREAS LON is a third-party provider of a computer technical service, the charges for which are placed on local telephone bills with the assistance of a San Antonio-based company called Enhanced Services Billing, Inc. (ESBI);

WHEREAS LON's charges to consumers averaged $14.95 per month;

WHEREAS during the period 2005 to 2008, LON charged a total of $56,869.80 to 852 consumers for its services that appeared on local telephone bills in Vermont's area code 802;

WHEREAS sellers of goods or services that are to be charged on a consumer's local telephone bill are required under 9 V.S.A. § 2466 to mail a notice to the party to be charged, containing information specific in the statute;

WHEREAS LON sent a mailed notice to Vermont consumers to the effect that they would be charged on their local telephone bill for LON's services; however, such notice did not contain the consumer assistance address and telephone number required by 9 V.S.A. § 2466;

WHEREAS the Attorney General alleges that LON violated 9 V.S.A. § 2466, by not complying with that provision's notice requirements;

AND WHEREAS the Attorney General is willing to accept this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459;

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THEREFORE, the parties agree as follows:

1. *Injunctive relief.* LON shall comply strictly with all provisions of Vermont law, including but not limited to provisions of 9 V.S.A. chapter 63, relating to the placement of charges on local telephone bills associated with telephone numbers in area code 802.

2. *Consumer relief.*

a. For each consumer from which LON has received money through a charge on a local telephone bill with a number in area code 802, LON shall begin within five (5) business days of signing this Assurance of Discontinuance, to arrange for an electronic credit record to be sent to the consumer's valid local telephone number, via ESBI, in the amount of all such monies that have not been previously refunded. LON shall not be obligated to issue credits to Vermont customers that have already received such, or provide credits to any Vermont customer that demonstrably used its services. LON shall have completed all attempts to issue such credits within sixty (60) days of signing this Assurance of Discontinuance. LON shall use due diligence to ensure that accurate credits are provided to each consumer to whom a credit is due.

b. If a credit record sent under the preceding paragraph is not accepted or is returned by the local telephone company or ESBI, LON shall, within ten (10) days of learning of the non-acceptance or the return, send to the consumer, by first-class mail, postage prepaid, a check in the amount of the credit due to the consumer's last known address, accompanied by a letter in substantially the form attached as Exhibit 1.

c. No later than seventy (70) days after signing this Assurance of Discontinuance, LON shall provide to the Vermont Attorney General's Office the names and addresses of the consumers whose telephone numbers were credited, and to which letters and payments were

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sent, under this Assurance of Discontinuance, along with the date and amount of each credit or payment.

d. No later than ninety (90) days after signing this Assurance of Discontinuance, LON shall pay the total dollar amount of all checks returned as undeliverable to the Vermont Attorney General's Office to be treated as unclaimed funds, along with a list in Excel format of those consumers and their last known addresses.

3. *Civil penalties, fees and costs.* Within twenty (20) days of signing this Assurance of Discontinuance, LON shall pay to the State of Vermont, in care of the Vermont Attorney General's Office, the sum of ten thousand dollars ($10,000) in civil penalties and costs.

4. *Binding effect.* This Assurance of Discontinuance shall be binding on LON, its successors and assigns.

5. *Release.* The State of Vermont hereby releases and discharges any and all claims that it may have against LON or its affiliates based on conduct or activities arising under or in connection with 9 V.S.A. § 2466 and/or 9 V.S.A. Chapter 63 prior to the date of this Assurance of Discontinuance.

6. *Admissibility.* Nothing in this Assurance of Discontinuance may be used or admitted as evidence or as an admission in any other adverse proceeding or action relating to LON, nor shall anything in this document be considered first-party evidence.

Date: 7/11/11

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

by: _____
Elliot Burg
Assistant Attorney General

Office of the
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09 State Street
Montpelier, VT
05609

Date: 4/10/2011

LON

by: _____
Its Authorized Agent

APPROVED AS TO FORM:

_____
Elliot Burg
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, VT 05609
For the State of Vermont

_____
Richard W. Kozlowski, Esq.
Lisman, Webster & Leckerling, P.C.
84 Pine Street, 5th Floor
Burlington, VT 05401
Outside Counsel For LON

Exhibit 1 (Letter to Consumers)

Dear [Name of Consumer]:

Liveonthenet.com, Inc. has entered into a settlement with the Vermont Attorney General's Office to resolve claims that we may not have properly notified you in accordance with Vermont law about charges billed on your local telephone bill for our services.

As part of that settlement, we are enclosing a refund check for all of these charges. You have no obligation to do anything in response to this payment.

Sincerely,

Liveonthenet

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STATE OF VERMONT

SUPERIOR COURT
Washington Unit

CIVIL DIVISION
Docket No. Wncv

STATE OF VERMONT,
Plaintiff,

v.

GAETAN MARCHESSAULT and
MARY JANE MARCHESSAULT,
Defendants.

CONSENT DECREE, FINAL ORDER AND JUDGMENT

To resolve the allegations in the Complaint filed in the above captioned matter, the parties, the State of Vermont and Defendants Gaetan Marchessault and Mary Jane Marchessault, stipulate and agree to the following:

1. Defendants no longer own the 76-78 Archibald Street property ("the property").
2. Defendants shall fully and timely comply with the requirements of the Vermont lead law, 18 V.S.A., Chapter 38, as long as they maintain any ownership interest in any pre-1978 residential housing in which they have or acquire an ownership interest or provide property management services (unless by property management contract Defendants are explicitly not responsible for EMPs).

PAYMENT

3. Defendants shall pay the sum of ten thousand dollars ($10,000.00) in civil penalties to the State of Vermont for the filing of a false Essential Maintenance Practices Compliance Statement for the property in April 2011 and to resolve the other allegations of the Complaint.

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4. Based on Defendants' demonstrated inability to pay the penalty listed in the preceding paragraph and upon a review of financial information provided to the State by Defendants, the State agrees to accept a reduced penalty of two thousand dollars ($2,000.00) provided that if it is determined that the financial information provided by Defendants is different in any material respect, the Attorney General may seek to impose the full penalty agreed to in paragraph 3.

5. Payment shall be made to the "State of Vermont" and shall be sent to the Attorney General's Office at the following address: Jessica Mishaan, Legal Assistant, Office of the Attorney General, 109 State Street, Montpelier, VT 05609-1001. The payment may be made in four installments as follows: (a) five hundred dollars ($500.00) shall be due upon Defendants' signature of this Consent Decree; (b) five hundred dollars ($500.00) shall be due no later than June 30, 2012; (c) five hundred dollars shall be due no later than December 31, 2012; and (d) five hundred dollars ($500.00) shall be due no later than June 30, 2013.

OTHER RELIEF

6. Nothing in this Consent Decree in any way affects the obligations of current or future owners of the property under Vermont law, including under the Vermont lead law.

7. Nothing in this Consent Decree in any way affects Defendants' other obligations under state, local, or federal law.

8. Any future failure by Defendants to comply with the Vermont lead law at any other properties referenced through this Consent Decree shall be subject to additional

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penalties of no less than one thousand dollars ($1,000.00) per violation per day for each day the violation exists.

9. In addition to any other penalties which might be appropriate under Vermont law, any future failure by Defendants to comply with the terms of this Consent Decree, shall be subject to a liquidated civil penalty in the amount of ten thousand dollars ($10,000.00) and additional penalties of no less than one thousand dollars ($1,000.00) per violation of the Consent Decree, per day for each day the violation exists.

STIPULATION

Defendants Gaetan Marchessault and Mary Jane Marchessault acknowledge receipt of and voluntarily agree to the terms of this Consent Decree and waive any formal service requirements of the Complaint, Consent Decree, Order and Final Judgment.

DATED at Burlington, Vermont this 6th day of December, 2011.

Gaetan Marchessault
Gaetan Marchessault

DATED at Burlington, Vermont this 6th day of December, 2011.

Mary Jane Marchessault
Mary Jane Marchessault

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

ACCEPTED on behalf of the State of Vermont:

DATED at Montpelier, Vermont this 12th day of December, 2011.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____

Robert F. McDougall
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, Vermont 05609
802.828.3186

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

DECREE, ORDER AND FINAL JUDGMENT

This Consent Decree is accepted and entered as a Decree, Order and Final Judgment of this Court in the matter of: *State of Vermont v. Gaetan Marchessault and Mary Jane Marchessault*, Docket No._____ Wncv.

SO ORDERED.

DATED at Montpelier, Vermont this _____ day of _____, 2011.

_____
Washington Superior Court Judge

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

STATE OF VERMONT

2011 JUL 11 P 4:06

SUPERIOR COURT
Washington Unit

CIVIL DIVISION
Docket No. 430-7-11 Wncv

proposed

STATE OF VERMONT,
Plaintiff,

v.

MARY FERNANDEZ
Defendant.

FILED
2011 JUL 13 P 2:32

STIPULATION OF SETTLEMENT AND CONSENT DECREE

To resolve the allegations in the Complaint filed in the above captioned matter, Plaintiff State of Vermont and Defendant Mary Fernandez (hereinafter "Defendant") stipulate and agree to the following:

1. Defendant shall complete all essential maintenance practices ("EMPs") at the five properties listed in Attachment A of the Complaint ("the properties") as follows:

   a. Any EMP work necessary at the properties will be completed by an individual who is certified by the Vermont Department of Health to perform EMPs.

   b. Priority for completion of EMPs at the properties shall be given to any properties where children are known to reside, particularly if the children are age 6 or younger.

   c. Defendant shall immediately ensure that access to exterior surfaces and components of the properties with lead hazards and areas directly below the deteriorated surfaces are clearly restricted as described in 18 V.S.A. § 1759(a)(3).

   d. Not later than July 28, 2011, Defendant shall complete all **interior** EMPs required by the lead law, including window well inserts, at all of the units of the properties where children age 6 or younger reside, believed to be three units total. Defendant

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shall also provide the Attorney General's Office with a written update as to the progress of interior EMP completion at all of the remaining properties.

e. Not later than August 21, 2011, Defendant shall complete all **interior** EMPs required by the lead law at the remaining units of all properties, including window well inserts unless the windows have been replaced with vinyl windows by this time.

f. Defendant shall provide written confirmation of completion of the interior EMPs to: Robert F. McDougall, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609. Written confirmation shall be provided no later than ten days after the dates specified in paragraphs 1(d) and (e).

g. Not later than August 31, 2011, Defendant shall complete all **exterior** EMPs required by the lead law at all of the properties.

h. Not later than September 10, 2011, Defendant will file with the Vermont Department of Health and with Defendants' insurance carrier, and will give a copy to an adult in each rented unit of any of the properties, a completed EMP compliance statement for each of the properties, and will also provide a copy of the completed EMP compliance statement to the Office of the Attorney General at the address provided in paragraph 1(f).

2. Defendant shall not rent, or offer for rent, any unit which becomes vacant in a property that is not EMP compliant until such time as the EMP work is complete and the EMP compliance statement is distributed as described above.

3. Defendant will endeavor in good faith to comply with the terms and conditions of this Consent Decree. In the event that Defendant wishes to extend any of the compliance dates by agreement with the Attorney General's Office, the Attorney General's Office will

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exercise good faith and consider such request, provided that such request is made no later than 10 days in advance of the dates specified in this Consent Decree.

4. Defendant shall fully and timely comply with the requirements of the Vermont lead law, 18 V.S.A., Chapter 38, as long as the Defendant maintains any ownership or property management service interest in the properties and in any other pre-1978 rental housing in which the Defendant acquires an ownership interest.

PENALTIES

5. Defendant shall pay two thousand five hundred dollars ($2,500.00) in civil penalties to the State of Vermont. Payment shall be made to the "State of Vermont" and shall be sent to the Attorney General's Office at the address listed in paragraph 1(f). The payment shall be due at the time this document is executed by Defendant.

6. In addition to the payment described in paragraph 5, Defendant shall expend at least five thousand dollars ($5,000.00), including the actual cost of materials and the actual (or if the work is done by employees of Defendant, the reasonable) cost of labor, on any or all of the following lead hazard reduction improvements at any of the properties or in any other pre-1978 rental housing in which Defendant acquires an interest:

a. Replacement of painted windows;

b. Replacement of painted doors;

c. Covering of painted exterior walls with siding; and

d. Replacement or covering of interior or exterior (including porch) floors and stairs with permanent carpeting or other permanent floor covering;

provided that the building component in question was installed and first painted before 1978; *and further provided that* Defendant may submit for prior approval

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other potential lead hazard reduction improvements (e.g. soil coverage) to the Attorney General's Office, which shall have complete discretion to determine whether the improvements count toward the required expenditure.

7. Defendant shall provide written documentation of the expenditures to the Attorney General's Office at the address provided in paragraph 1(f) by August 15, 2011.

OTHER RELIEF

8. Defendant may not sell any of the properties unless all obligations in paragraphs 1, 5, 6 and 7 have been completed or this Consent Decree is amended in writing to transfer to the buyer or other transferee all remaining obligations.

9. Transfer of ownership of any of the properties shall be consistent with Vermont law, including the provisions of 18 V.S.A. § 1767 specifically relating to the transfer of ownership of pre-1978 rental housing.

10. This Consent Decree shall not affect marketability of title.

11. Nothing in this Consent Decree in any way affects Defendant's other obligations under state, local, or federal law.

12. If Defendant shall, at any time in the future, fail to comply with the terms and conditions of this Consent Decree, then each future failure of Defendant to comply with the terms and conditions of this Consent Decree shall constitute a separate civil action for which the State of Vermont may pursue additional civil penalties beyond the civil penalty outlined herein.

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STIPULATION

Defendant Mary Fernandez acknowledges receipt of and voluntarily agrees to the terms of this Consent Decree and waives any formal service requirements of the Complaint, Consent Decree, and Decree, Order and Final Judgment.

DATED at Montpelier, Vermont this 6 day of July, 2011.

Mary Fernandez

Approved as to form:

DATED at Montpelier, Vermont this 7th day of July, 2011.

Michael Popowski, Esq.

ACCEPTED on behalf of the State of Vermont:

DATED at Montpelier, Vermont this 11th day of July, 2011.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By:

Robert F. McDougall
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, Vermont 05609

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05609

DECREE, ORDER AND FINAL JUDGMENT

This Consent Decree is accepted and entered as a Decree, Order and Final Judgment of this Court in the matter of: *State of Vermont v. Mary Fernandez*, Docket No. 430-7-11 Wncv.

SO ORDERED.

DATED at Montpelier, Vermont this 13 day of July, 2011.

Washington Superior Court Judge

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109 State Street
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STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

2011 MAR 14 P 12:09

In re MORE LOCAL REACH, INC.)	**CIVIL DIVISION**
a/k/a MY LOCAL REACH)	**Docket No.** 160-3-11 Wncv

ASSURANCE OF DISCONTINUANCE

WHEREAS More Local Reach, Inc. (hereinafter referred to as "More Local Reach"), is a Florida corporation with offices at 160 West Camino Real, Boca Raton, FL 33432;

WHEREAS More Local Reach is a provider of an online business directory to businesses, the charges for which are placed on local telephone bills with the assistance of a San Antonio, Texas-based company called Enhanced Services Billing, Inc. (ESBI);

WHEREAS More Local Reach solicited Vermont businesses over the telephone to purchase its service and accepted requests from Vermont businesses to include them in its directory;

WHEREAS during the period 2007 to 2010, More Local Reach charged a total of over $58,000 to 214 businesses for its services that appeared on local telephone bills in Vermont's area code "802," of which approximately $9,600 was refunded;

WHEREAS sellers of goods or services that are to be charged on a consumer's (including a business') local telephone bill are required under 9 V.S.A. § 2466 to mail a notice to the party to be charged, containing information specified in the statute;

WHEREAS More Local Reach did send a notice to Vermont customers consistent with the intent of 9 V.S.A. § 2466, but did not include all of the information required by 9 V.S.A. § 2466 in such notice;

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WHEREAS the Attorney General alleges that More Local Reach violated the Vermont Consumer Fraud Act, 9 V.S.A. § 2466, by not complying with that provision's notice requirements;

WHEREAS the script used by More Local Reach's telemarketers stated at the outset, "This is in regards to your current complimentary listing on the More Local Reach search engine as we just need to update your company business information.";

WHEREAS in fact the purpose of More Local Reach's calls was to solicit the purchase of its service, which was explained later in the company's telemarketing script;

WHEREAS the Attorney General alleges that More Local Reach's practices violated the Vermont's Consumer Fraud Act's prohibition on deceptive trade practices, 9 V.S.A. § 2453(a);

AND WHEREAS the Attorney General is willing to accept this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459;

THEREFORE, the parties agree as follows:

1. *Injunctive relief.* More Local Reach shall comply strictly with all provisions of Vermont law, including but not limited to provisions of the Vermont Consumer Fraud Act, 9 V.S.A. chapter 63, relating to the placement of charges on local telephone bills and the prohibition on deceptive trade practices.

2. *Consumer relief.*

a. For each business from which More Local Reach has received money through a charge on a local telephone bill with a number in area code 802, More Local Reach shall, within twenty (20) business days of signing this Assurance of Discontinuance, arrange for an electronic credit record to the business' local telephone company in the amount of all such monies that have not been previously refunded. More Local Reach shall use due

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diligence to ensure that accurate credits are provided to each business to whom a credit is due. More Local Reach shall not be obligated to issue credits to Vermont businesses that have already received such, or provide credits to any Vermont businesses that More Local Reach can demonstrate to the Attorney General used its services.

b. If a credit record sent under the preceding paragraph is not accepted or is returned by the local telephone company, More Local Reach shall, within ten (10) days of learning of the non-acceptance or the return, send to the business, by first-class mail, postage prepaid, a check in the amount of the credit due to the business' last known address, accompanied by a letter in substantially the form attached as Exhibit 1.

c. No later than 60 (sixty) days after signing this Assurance of Discontinuance, More Local Reach shall provide to the Vermont Attorney General's Office the names and addresses of the businesses whose telephone numbers were credited, and to which letters and payments were sent, under this Assurance of Discontinuance, along with the date and amount of each credit or payment.

d. No later than ninety (90) days after signing this Assurance of Discontinuance, More Local Reach shall pay the total dollar amount of all checks returned as undeliverable to the Vermont Attorney General's Office to be treated as unclaimed funds, along with a list in Excel format of the businesses to whom the monies due were not paid and their last known addresses.

3. *Payment to the State.* Within thirty (30) days of signing this Assurance of Discontinuance, More Local Reach shall pay to the State of Vermont, in care of the Vermont Attorney General's Office, the sum of ten thousand dollars ($10,000.00) as reimbursement for reasonable attorney's fees and costs.

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4. *Binding effect.* This Assurance of Discontinuance shall be binding on More Local Reach, its successors and assigns.

5. *Release.* The State of Vermont hereby releases and discharges any and all claims that it may have against More Local Reach or its affiliates based on conduct or activities arising under or in connection with the Vermont Consumer Fraud Act prior to the date of this Assurance of Discontinuance.

6. *Admissibility.* Nothing in this Assurance of Discontinuance may be used or admitted as evidence or as an admission in any other adverse proceeding or action relating to More Local Reach, nor shall anything in this document be considered first-party evidence.

Date: 2/8/11

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

by: _____
Elliot Burg
Assistant Attorney General

Date: 3/10/11

More Local Reach, Inc.

by: _____
Its Authorized Agent
as its outside counsel

Office of the
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GENERAL
109 State Street
Montpelier, VT
05609

APPROVED AS TO FORM:

Elliot Burg
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, VT 05609
For the State of Vermont

Robby H. Birnbaum, Esq.
Greenspoon Marder, P.A.
Trade Centre South, Suite 700
100 W. Cypress Creek Road
Fort Lauderdale, FL 33309-2140
For More Local Reach, Inc.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

Exhibit 1 (Letter to Consumers)

Dear [Name of Business]:

Under a settlement with the Vermont Attorney General's Office, we are enclosing a check to reimburse you for charges by our company, More Local Reach, that appeared on your local telephone bill.

If you have any questions about the settlement, you may all the Attorney General's Office at (802) 828-5507.

Sincerely,

More Local Reach

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STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

In re MORE YELLOW PAGES, INC.)
)

CIVIL DIVISION
Docket No. 643-10-11 Wncv

ASSURANCE OF DISCONTINUANCE

WHEREAS More Yellow Pages, Inc. ("More Yellow Pages" or "the company"), is a Florida corporation with offices at 7771 W. Oakland Park Blvd., Suite 217, Sunrise, Florida 33351;

WHEREAS More Yellow Pages offers to local businesses, through outbound telemarketing, online listings that are registered with directories such as Yahoo Local and Google, the charges for which are placed on local telephone bills with the assistance of a Texas-based company called ACI Billing Services, Inc., d/b/a OAN Services, Inc.;

WHEREAS More Yellow Pages charges its customers $39.95 per month;

WHEREAS during the period November 2008 to February 2009, More Yellow Pages charged and collected a total of almost $57,000 (over $45,000 net of refunds) from over 500 Vermont businesses;

WHEREAS sellers of goods or services that are to be charged on a consumer's (including a business') local telephone bill are required under the Consumer Fraud Act, 9 V.S.A. § 2466, to mail a notice to the party to be charged, containing information specified in the statute;

WHEREAS More Yellow Pages did not send to Vermont businesses who were charged for its services on their local telephone bills a notice containing all of the information required by 9 V.S.A. § 2466;

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Montpelier, VT
05609

WHEREAS the Attorney General alleges that More Yellow Pages violated the Vermont Consumer Fraud Act, 9 V.S.A. § 2466, by not complying with that provision's notice requirements;

WHEREAS the telemarketing script used by More Yellow Pages stated at the outset that the reason for the call was to "update the information we have for your current listing," accompanied by instructions to respond to questions about the call by saying that the call "is in regards [sic] to your complimentary listing in the More Yellow Pages search engine";

WHEREAS in fact, the purpose of More Yellow Pages' calls was not to update an existing listing, nor to offer a "complimentary" listing, but rather to solicit a purchase;

WHEREAS the Attorney General alleges that More Yellow Pages' script misrepresented the purpose of the company's sales calls, in violation of the Consumer Fraud Act's prohibition on deceptive trade practices, 9 V.S.A. § 2453(a);

WHEREAS the Attorney General also alleges that More Yellow Pages violated the right-to-cancel provisions of 9 V.S.A. § 2454 and Vermont Consumer Fraud Rule 113 for telephonic sales by not providing its customers with proper notice of their right to cancel;

WHEREAS 34 out of 35 respondents to a survey of businesses that had been charged by More Yellow Pages stated that they had no recollection of ever having authorized the placement of charges on their telephone bill for the company's services;

AND WHEREAS the Attorney General is willing to accept this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459;

Office of the
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109 State Street
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05609

THEREFORE, the parties agree as follows:

1. *Injunctive relief.* More Yellow Pages shall comply strictly with all provisions of Vermont law, including but not limited to provisions of the Vermont Consumer Fraud Act, 9 V.S.A. chapter 63, relating to the placement of charges on local telephone bills associated with telephone numbers in area code 802.

2. *Consumer relief.*

a. For each business (or other customer) from whom More Yellow Pages has received money through a charge on a local telephone bill with a number in area code 802, the company shall, within ten (10) business days of signing this Assurance of Discontinuance, arrange for an electronic credit record to the customer's local telephone company in the amount of all such monies that have not been previously refunded to the customer. More Yellow Pages shall use due diligence to ensure that accurate credits are provided for each customer to whom a credit is due. More Yellow Pages shall not be obligated to issue credits to customers who have already received such credits, or provide credits to any customers who the company can demonstrate to the Attorney General used its services.

b. If a credit record sent under the preceding paragraph is not accepted or returned by the local telephone company, More Yellow Pages shall, within ten (10) days of learning of the non-acceptance or the return, send to the customer, by first-class mail, postage prepaid, a check in the amount of the credit due to the customer's last known address, accompanied by a letter in substantially the form attached as Exhibit 1.

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c. No later than 60 (sixty) days after signing this Assurance of Discontinuance, More Yellow Pages shall provide to the Vermont Attorney General's Office the names and addresses of the customers whose telephone numbers were credited, and to whom letters and payments were sent, under this Assurance of Discontinuance, along with the date and amount of each credit or payment.

d. No later than ninety (90) days after signing this Assurance of Discontinuance, More Yellow Pages shall mail to the Vermont Attorney General's Office, 109 State Street, Montpelier, VT 05609, a single check, payable to "Vermont State Treasurer," in the total dollar amount of all checks that were returned as undeliverable or that went uncashed, to be treated as unclaimed funds, along with a list, in Excel format on a compact disk, of the customers whose checks were returned or were not cashed (which list shall set out the first and last names of the customers, if any, in distinct fields or columns), and for each such customer, the last known address and dollar amount due.

3. *Civil penalties, fees and costs.* Within twenty (20) days of signing this Assurance of Discontinuance, More Yellow Pages shall pay to the State of Vermont, in care of the Vermont Attorney General's Office, the sum of ten thousand dollars ($10,000.00) as reimbursement for reasonable attorneys' fees and costs.

4. *Binding effect.* This Assurance of Discontinuance shall be binding on More Yellow Pages, its successors and assigns.

5. *Release.* The State of Vermont hereby releases and discharges any and all claims that it may have against More Yellow Pages or its affiliates based on conduct or activities arising under or in connection with the Vermont Consumer Fraud Act prior to the date of this Assurance of Discontinuance.

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6. *Admissibility.* More Yellow Pages has not admitted any violation of Vermont law. Nothing in this Assurance of Discontinuance may be used or admitted as evidence or as an admission in any other adverse proceeding or action relating to More Yellow Pages, nor shall anything in this document be considered first-party evidence.

Date: 10/6/11

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

by: _____
Elliot Burg
Assistant Attorney General

Date: 10/6/11

More Yellow Pages, Inc.

by: _____
Its Authorized Agent

APPROVED AS TO FORM:

_____
Elliot Burg
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, VT 05609
For the State of Vermont

_____
Andrew N. Cove, Esq.
Cove & Associates, P.A.
225 South 21st Avenue
Hollywood, FL 33020
For More Yellow Pages, Inc.

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

Exhibit 1 (Letter to Consumers)

Dear [Name of Consumer]:

Under a settlement with the Vermont Attorney General's Office, we are enclosing a check to reimburse you for charges by our company, More Yellow Pages, Inc., that appeared on your local telephone bill.

If you have any questions about the settlement, you may call the Attorney General's Office at (802)828-5507.

Sincerely,

More Yellow Pages, Inc.

Office of the
ATTORNEY
GENERAL
09 State Street
Montpelier, VT
05609

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

In re DOUGLAS-LAMBERT	)	**CIVIL DIVISION**
LABORATORIES LLC	)	**Docket No.** 273-5-11 Wncv
d/b/a ORBIT TELECOM	)	

ASSURANCE OF DISCONTINUANCE

WHEREAS Douglas-Lambert Laboratories LLC, doing business as Orbit Telecom (hereinafter referred to as "Orbit"), is a Nevada corporation with offices at 701 North Green Valley Parkway, Suite 200, Henderson, NV 89074, with branch offices at 350 Seventh Avenue, 2nd floor, New York, NY 10001 and 8201 Peters Road, Suite 2400, Plantation, FL 33324.

WHEREAS Orbit is a third-party provider of a voicemail service, the charges for which are placed on local telephone bills with the assistance of a San Antonio-based company called Enhanced Services Billing, Inc. (ESBI);

WHEREAS Orbit's charges to consumers averaged $14.95 per month;

WHEREAS during the period 2004 to 2006, Orbit charged a total of over $119,000 to more than 1,200 Vermonters for its services that appeared on local telephone bills in Vermont's area code 802;

WHEREAS sellers of goods or services that are to be charged on a consumer's local telephone bill are required under 9 V.S.A. § 2466 to mail a notice to the party to be charged, containing information specific in the statute;

WHEREAS Orbit did not send to Vermont consumers who were charged for its services on their local telephone bills a mailing by U.S. first class mail containing all of the information required by 9 V.S.A. § 2466, although it did send them two activation emails that contained most, though not all, of the information required by the statute;

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Montpelier,
Vermont 05609

WHEREAS most of the consumers who responded to the Attorney General's Office in the course of its investigation of this matter stated that they had no recollection of authorizing the placement of charges on their telephone bill for Orbit's services;

WHEREAS the Attorney General alleges that Orbit violated the Vermont Consumer Fraud Act, 9 V.S.A. § 2466, by not complying with that provision's notice requirements;

AND WHEREAS the Attorney General is willing to accept this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459;

THEREFORE, the parties agree as follows:

1. *Injunctive relief.* Orbit shall comply strictly with all provisions of Vermont law, including but not limited to provisions of the Vermont Consumer Fraud Act, 9 V.S.A. chapter 63, relating to the placement of charges on local telephone bills associated with telephone numbers in area code 802.

2. *Consumer relief.*

a. For each consumer from which Orbit has received money through a charge on a local telephone bill with a number in area code 802 on or after January 1, 2005, Orbit shall, within ten (10) business days of signing this Assurance of Discontinuance, send to the consumer, by first-class mail, postage prepaid, a check in the amount of all monies that have not been previously refunded to the consumer's last known address, accompanied by a letter in substantially the form attached as Exhibit 1. Orbit shall use due diligence to ensure that accurate refunds are provided to each consumer to whom a refund is due under this Assurance of Discontinuance. Orbit shall not be obligated to issue refunds to consumers who Orbit can demonstrate to the Vermont Attorney General's Office used its services.

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ATTORNEY
GENERAL
Montpelier,
Vermont 05609

b. No later than 60 (sixty) days after signing this Assurance of Discontinuance, Orbit shall provide to the Vermont Attorney General's Office the names and addresses of the consumers to whom letters and payments were sent under this Assurance of Discontinuance, along with the date and amount of each payment.

c. No later than ninety (90) days after signing this Assurance of Discontinuance, Orbit shall pay the total dollar amount of all checks returned to Orbit by that date as undeliverable to the Vermont Attorney General's Office to be treated as unclaimed funds, along with a list in Excel format of the consumers to whom the monies due were not paid and their last known addresses.

3. *Payment to the State.* Within twenty (20) days of signing this Assurance of Discontinuance, Orbit shall pay to the State of Vermont, in care of the Vermont Attorney General's Office, the sum of ten thousand dollars ($10,000) as reimbursement for reasonable attorneys' fees and costs.

4. *Binding effect.* This Assurance of Discontinuance shall be binding on Orbit, its successors and assigns.

5. *Release.* The State of Vermont hereby releases and discharges any and all claims that it may have against Orbit or its affiliates based on conduct or activities arising under or in connection with the Vermont Consumer Fraud Act prior to the date of this Assurance of Discontinuance.

6. *Admissibility.* Nothing in this Assurance of Discontinuance may be used or admitted as evidence or as an admission in any other adverse proceeding or action relating to Orbit, nor shall anything in this document be considered first-party evidence.

Office of the
ATTORNEY
GENERAL
Montpelier,
Vermont 05609

Date: 4/7/11

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

by: _____
Elliot Burg
Assistant Attorney General

Date: 4/27/11

DOUGLAS-LAMBERT LABORATORIES LLC
d/b/a ORBIT TELECOM

by: _____
Its Authorized Agent

APPROVED AS TO FORM:

_____
Elliot Burg
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, VT 05609
For the State of Vermont

_____
Christine Wawrynek, Esq.
Klein Zelman Rothermel LLP
485 Madison Avenue
New York, NY 10022-5803
For Douglas-Lambert Laboratories LLC
d/b/a Orbit Telecom

Exhibit 1 (Letter to Consumers)

Dear [Name of Consumer]:

Under a settlement with the Vermont Attorney General's Office, we are enclosing a check to reimburse you for charges by our company, Orbit Telecom, that appeared on your local telephone bill.

If you have any questions about the settlement, you may contact the Attorney General's Office at (802) 828-5507.

Sincerely,

Douglas-Lambert Laboratories LLC
d/b/a Orbit Telecom

Office of the
ATTORNEY
GENERAL
Montpelier,
Vermont 05609

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

2011 JUN -7 A 9:32

In re PAPA JOHN'S INTERNATIONAL, INC., and MERON ENTERPRISES, INC.)	CIVIL DIVISION Docket No. 341-6-11 Wncv

ASSURANCE OF DISCONTINUANCE

WHEREAS Papa John's International, Inc. ("Papa John's") is a national restaurant chain with more than 20 locations nationally operating under the same name and offering for sale substantially the same menu items, with corporate offices at 2002 Papa John's Boulevard, Louisville, Kentucky 40299-2367;

WHEREAS Meron Enterprises, Inc. ("Meron"), with offices at 17 Carlton Drive, Plattsburgh, New York 12901, is the owner of the Papa John's restaurant franchise located at 135 Pearl Street, Burlington, Vermont 05401 ("the Vermont franchise");

WHEREAS effective January 1, 2011, the State of Vermont required that restaurants and similar food establishments that are part of a chain with 20 or more locations doing business under the same name and offering for sale substantially the same menu items must disclose on their menus and menu boards, adjacent to the name of each standard menu item, the number of calories contained in the item, 18 V.S.A. § 4086(a)(1);

WHEREAS this requirement is the same as under federal law, Section 4205 of the Patient Protection and Affordable Care Act, 21 U.S.C. § 343(q) (as amended);

WHEREAS Vermont's required calorie disclosures were not made available at the Vermont franchise until on or about March 28, 2011, in the case of the menus, and on or about April 14, 2011, in the case of the menu boards;

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GENERAL
109 State Street
Montpelier, VT
05609

WHEREAS the Vermont Attorney General alleges that Papa John's and Meron did not comply with Vermont's menu labeling requirements when those requirements went into effect, as described above, which is expressly denied by Papa John's and Meron;

AND WHEREAS the Attorney General is willing to accept this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459;

THEREFORE the parties agree as follows:

1. Papa John's and Meron shall comply with all state and federal menu-labeling requirements that are applicable to their restaurants in the State of Vermont.

2. Within 10 (ten) business days of signing this Assurance of Discontinuance, Papa John's and Meron shall pay to the State of Vermont, in care of the Vermont Attorney General's Office, the sum of $7,500.00 (seven thousand five hundred dollars) in civil penalties and costs, for which payment each company shall be jointly and severally liable.

3. This Assurance of Discontinuance resolves all existing claims the State of Vermont may have against Papa John's or Meron relating to calorie disclosures on menus and menu boards up to and including the dates said companies signed this Assurance of Discontinuance.

Date: 5/18/11

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

by: _____
Elliot Burg
Assistant Attorney General

Office of the
ATTORNEY
GENERAL
09 State Street
Montpelier, VT
05609

Date: 5/19/11

PAPA JOHN'S INTERNATIONAL, INC.

by: _____ SVP NA Ops
Its Authorized Agent

Date: 5/25/11

MERON ENTERPRISES, INC.

by: _____
Terry Meron, President

APPROVED AS TO FORM:

_____
Elliot Burg
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, VT 05609

_____
Caroline Miller Oyler
Vice President and Senior Counsel
Papa John's International, Inc.
2002 Papa John's Boulevard
Louisville, Kentucky 40299
For Papa John's International, Inc.

_____
For Meron Enterprises, Inc.

Office of the
ATTORNEY
GENERAL
09 State Street
Montpelier, VT
05609

STATE OF VERMONT

SUPERIOR COURT
Washington Unit

CIVIL DIVISION
Docket No. 613-9-11 Wnw

In re PENLEY CORPORATION)

ASSURANCE OF DISCONTINUANCE

WHEREAS Penley Corporation ("Penley") is a Maine corporation with offices at 2 Depot Street, West Paris, Maine 04289;

WHEREAS Penley was a supplier of consumer products, including disposable cutlery, to national and regional wholesalers that in turn supplied product to retailers such as grocery chains;

WHEREAS Penley has sold its business assets and no longer markets or supplies consumer products, including disposable cutlery;

WHEREAS starting in June 2007, Penley marketed to national and regional wholesalers, which in turn are believed to have marketed to stores that had outlets in Vermont, a "Full Circle" line of cutlery made of a material called Cereplast;

WHEREAS the packaging for this line of cutlery bore multiple references to its compostability, including the term "compostable!" in sizable red type in two places on the package; a boxed Biodegradable Plastics Institute/US Composting Council logo on the back of the package next to the capitalized word "COMPOSTABLE" in typeface of modest size; and a statement, in five- (5-)point typeface, also on the back panel, "This product meets ASTM 6400 It is intended to be composted in a professionally managed municipal or commercial facility

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GENERAL
109 State Street
Montpelier, VT
05609

operated in accordance with best composting management practices. These facilities may not exist in your community Check to see if they do " (See Exhibit 1),

WHEREAS Cereplast is compliant with the compostability standards of the Bio Plastics Institute, the U.S Composting Council, and ASTM International,

WHEREAS in fact, there are few municipal or commercial facilities in Vermont that accept compostable cutlery, and the Attorney General of the State of Vermont (hereinafter, "Attorney General") alleges that most Vermonters have not had, and do not have, practical access to such facilities;

WHEREAS while Penley cannot be certain of the exact amount of its Full Circle compostable cutlery sold to national and regional wholesalers that was ultimately purchased by Vermont consumers, it estimates that retail sales of the product in Vermont may have totaled between 330 and 574 24-count cases, or between 7,920 and 13,776 boxes;

WHEREAS Penley estimates that the retail price of its Full Circle compostable cutlery was $1.29 per box retail, which would mean that, if Penley's estimated sales to wholesalers that in turn sold Penley's product in Vermont are correct, Vermont consumers paid between $10,216 and $17,771 for the product,

WHEREAS the Vermont Attorney General alleges that because the compostability of products is important to Vermont consumers' purchasing decisions, and because the disclaimer regarding the availability of appropriate composting facilities on the Full Circle cutlery packaging was not sufficiently clear, prominent and understandable to prevent deception, Penley violated the Vermont Consumer Fraud Act, 9 V.S.A. § 2453(a), by advertising its products as compostable when, for most Vermont consumers, there was no practical way of composting them.

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Montpelier, VT
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WHEREAS Penley does not admit any violation of Vermont law;

WHEREAS the Attorney General is willing to accept this Assurance of Discontinuance (hereinafter, "Assurance") pursuant to 9 V.S.A. § 2459; and

WHEREAS the parties each believe that the obligations imposed by this Assurance are prudent and appropriate;

THEREFORE the parties agree as follows:

1 Penley shall comply strictly with the Vermont Consumer Fraud Act, 9 V.S.A. chapter 63, and all regulations promulgated thereunder

2. More specifically, Penley shall not in the future represent, directly or by implication, the compostability of any products sold in or into Vermont unless (a) there are municipal or commercial facilities reasonably and practically available to a substantial majority of Vermont consumers, which facilities accept those products for composting; or (b) there is a prominent disclosure on the product packaging of the absence of such facilities that is proximate to the compostability claim and is no smaller or less visible than the claim itself.

3 As *cy pres* relief, within fifteen (15) business days of signing this Assurance, Penley shall pay the sum of ten thousand dollars ($10,000.00) to the Northeast Organic Farming Association of Vermont, P O Box 697, 39 Bridge St, 2nd Floor, Richmond, Vermont 05477, for the purpose of the Harvest Health Coupon Program, and shall, at the same time, notify the Vermont Attorney General's Office in writing of the payment.

4 Also within fifteen (15) business days of signing this Assurance, Penley shall pay to the State of Vermont, in care of the Vermont Attorney General's Office, the sum of ten thousand dollars ($10,000 00) in civil penalties and costs.

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Montpelier, VT
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5 Notwithstanding anything in this Assurance to the contrary, nothing contained in this Assurance is intended to subject Penley to any claims or liability for any consumer product sold or delivered by Penley prior to the date of the signing of this Assurance.

6. This Assurance may not be amended except by an instrument in writing signed on behalf of all the parties to this Assurance.

7 This Assurance constitutes the entire agreement between the Attorney General and Penley and supersedes any prior communication, understanding or agreement, whether written or oral, concerning the subject matter of this Assurance.

8. This Assurance may be executed in counterparts, each of which shall be considered the same as if a single document shall have been executed, but shall become effective when such counterparts have been signed by each of the parties hereto.

9 No representation, inducement, promise, understanding, condition, or warranty not set forth in this Assurance has been made or relied upon by any party to this Assurance.

10 The undersigned represent that they are authorized to enter into this Assurance and bind their respective parties to the terms and conditions thereof.

11 This Assurance of Discontinuance resolves all claims by the State of Vermont relating to the matters described herein.

IN WITNESS WHEREOF, this Assurance is executed by the parties on the date(s) indicated by their signatures below

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

Date: 9/12/11

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____
Elliot Burg
Assistant Attorney General

APPROVED AS TO FORM

_____
Elliot Burg
Assistant Attorney General
OFFICE OF ATTORNEY GENERAL
109 State Street
Montpelier, VT 05609

Date: 09/16/11

PENLEY COPORATION

By: _____
Richard Penley
Its Authorized Agent

APPROVED AS TO FORM

_____
Mark F. Werle
RYAN SMITH & CARBINE, LTD
Mead Building
98 Merchants Row
P O Box 310
Rutland, VT 05702-0310

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

Exhibit 1


CUTLERY
100% Biodegradable
PENLEY
PENLEY
Quality Products Since 1923
100% Biodegradable
FULL CIRCLE
CUTLERY
compostable!
All the convenience - none of the guilt.
The ecology-conscious consumer now has a feel-good choice -
the ease and freedom of disposable plastic cutlery...
without the concern of its environmental impact.
Made with Cereplast resin, Full Circle 100% Biodegradable
Cutlery is bio-based. It looks like plastic cutlery,
it feels like plastic cutlery -- but it's much, much more!
Cereplast
COMPOSTABLE
This product meets ASTM D6400. It is intended to be composted in a professionally managed municipal or commercial facility operated in accordance with best composting management practices. These facilities may not exist in your community. Check to see if they do.
CAUTION: Use with cold and warm foods only.
Temperature not to exceed 140° F (Not dishwasher-safe).
MADE FROM BIO-BASED RESIN
Packaged in Recycled Paperboard
100% Biodegradable
CUTLERY
24
COUNT
PENLEY
Quality Products Since 1923
DISTRIBUTED BY
PENLEY
P.O. Box 277 • West Paris, Maine 04289
custserv@penleycorp.net
Made in China
FULL CIRCLE and the Full Circle Logo
are trademarks of Penley Corporation.
0 41146 00782 9


PENLEY
Quality Products Since 1923
100% Biodegradable
FULL CIRCLE
TM
CUTLERY
24 COUNT
8 spoons • 8 forks • 8 knives
compostable!
Cereplast
PENLEY
Quality Products Since 1923
100% Biodegradable
CUTLERY
24
COUNT

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

2011 OCT 19 P 2:32

In re PERSONAL VOICE, INC.)

CIVIL DIVISION
Docket No. 669-10-11 Wncv

ASSURANCE OF DISCONTINUANCE

WHEREAS Personal Voice, Inc. (hereinafter referred to as "Personal Voice"), a subsidiary of Digitel Network Corporation, is a Florida corporation with offices at 16805 US Highway 19 North, Clearwater, Florida 33764;

WHEREAS Personal Voice is a third-party provider of voice mail services and prepaid credit cards, the charges for which are placed on local telephone bills with the assistance of a San Antonio, Texas-based company called Enhanced Services Billing, Inc. (ESBI);

WHEREAS Personal Voice marketed its services on the Internet and through telemarketing;

WHEREAS Personal Voice's charges to consumers averaged $12.95 per month;

WHEREAS during the period January 2004 to March 2008, Personal Voice charged a total of over $49,900 to 578 consumers for its services that appeared on local telephone bills in Vermont's area code 802;

WHEREAS sellers of goods or services that are to be charged on a consumer's local telephone bill are required under the Vermont Consumer Fraud Act, 9 V.S.A. § 2466, to mail a notice to the party to be charged, containing information specified in the statute;

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109 State Street
Montpelier, VT
05609

WHEREAS while Personal Voice did provide to Vermont consumers who were to be charged for its services on their local telephone bills a notice of the charge, the notice did not contain the address or telephone number of the Attorney General's Consumer Assistance Program, nor was the notice sent to consumers by mail;

WHEREAS the Attorney General alleges that as a result, Personal Voice violated the notification requirements of 9 V.S.A. § 2466;

WHEREAS Personal Voice did not provide consumers who were telemarketed with two copies of a "short-form" and detailed "long-form" notice of their right to cancel their transaction, nor, in connection with the prepaid credit card offer, was a full refund offered;

WHEREAS the Attorney General alleges that as a result, Personal Voice violated the requirements of the Consumer Fraud Act, V.S.A. § 2454, and Vermont Consumer Fraud Rule (CF) 113 for telephonic transactions;

WHEREAS Personal Voice has not admitted any violation of Vermont law;

AND WHEREAS the Attorney General is willing to accept this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459;

THEREFORE, the parties agree as follows:

1. *Injunctive relief.* Personal Voice shall comply strictly with all provisions of Vermont law, including but not limited to provisions of 9 V.S.A. § 2466 and 9 V.S.A. chapter 63 relating to the placement of charges on local telephone bills associated with telephone numbers in area code 802.

Office of the ATTORNEY GENERAL
109 State Street
Montpelier, VT 05609

2. *Consumer relief.*

a. For each consumer from which Personal Voice has received money through a charge on a local telephone bill with a number in area code 802, Personal Voice shall, no later than October 7, 2011, begin sending refund checks for the amount billed on the local telephone bill minus any refunds already made to each consumer by first-class mail, postage prepaid. Personal Voice shall use due diligence to ensure that accurate refunds are provided to each consumer (which check shall be valid for at least sixty (60) days from its date of issue), accompanied by a letter in substantially the form attached as Exhibit 1 hereto. The payments will be made on the following disbursement schedule:

- Twelve thousand dollars ($12,000.00) no later than October 7, 2011;
- An additional twenty-four thousand dollars ($24,000.00) no later than January 1, 2012;
- An additional fourteen thousand dollars ($14,000.00) no later than April 1, 2012.

b. No later than April 15, 2012, Personal Voice shall provide to the Vermont Attorney General's Office the names and addresses of the consumers to which letters and payments were sent, under this Assurance of Discontinuance, along with the date and amount of each payment.

c. No later than June 15, 2012, Personal Voice shall mail to the Vermont Attorney General's Office, 109 State Street, Montpelier, VT 05609, a single check, payable to "Vermont State Treasurer," in the total dollar amount of all checks that were returned as undeliverable or that went uncashed, to be treated as unclaimed funds, along with a list, in electronic Excel format on a compact disk, of the consumers whose checks were returned or were not cashed (which list shall set out the first and last names of the consumers in distinct

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GENERAL
109 State Street
Montpelier, VT
05609

fields or columns), and for each such consumer, the last known address and dollar amount due.

3. *Civil penalties, fees and costs.* No later than April 1, 2012, Personal Voice shall pay to the State of Vermont, in care of the Vermont Attorney General's Office, the sum of ten thousand dollars ($10,000.00) as reimbursement for fees and costs.

4. *Binding effect.* This Assurance of Discontinuance shall be binding on Personal Voice and its successors and assigns.

5. *Release.* The State of Vermont hereby releases and discharges any and all claims that it may have against Personal Voice, David Giorgione, Digitel Network Corporation, its officers, shareholders or employees, or its affiliates based on conduct or activities arising under or in connection with 9 V.S.A. § 2466 and/or 9 V.S.A. Chapter 63 prior to the date of this Assurance of Discontinuance.

6. *Effect.* Nothing in this Assurance of Discontinuance shall be construed to limit Personal Voice's right to assert any legal, factual or equitable defenses in any pending or future proceeding, except with respect to enforcement of this Assurance of Discontinuance.

Date: 9/27/11

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

by: _____
Elliot Burg
Assistant Attorney General

Office of the ATTORNEY GENERAL
109 State Street
Montpelier, VT 05609

Date: 10/17/11

PERSONAL VOICE, INC.

by: _____
Its Authorized Agent

APPROVED AS TO FORM:

_____
Elliot Burg
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, VT 05609
For the State of Vermont

_____
William E. Raney, Esq.
Copilevitz & Canter, LLC
310 W. 20th Street, Suite 300
Kansas City, MO 64108
For Personal Voice, Inc.

Office of the ATTORNEY GENERAL 109 State Street Montpelier, VT 05609

Exhibit 1 (Letter to Businesses)

Dear [Name of Consumer]:

Personal Voice, Inc., has entered into a settlement with the Vermont Attorney General's Office to resolve claims that we did not properly notify you, in accordance with Vermont law, about charges billed to your local telephone bill for our services.

As part of that settlement, we are enclosing a refund check for all charges relating to Personal Voice's services that appeared on your local telephone bill.

You have no obligation to do anything in response to this payment.

Sincerely,

Personal Voice, Inc.

Office of the ATTORNEY GENERAL
109 State Street
Montpelier, VT 05609

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

In re RESIDENTIAL EMAIL LLC)

CIVIL DIVISION
Docket No. 272-5-11 Wncv

ASSURANCE OF DISCONTINUANCE

WHEREAS Residential Email LLC (hereinafter referred to as "Residential"), is a Nevada corporation with an office at 701 North Green Valley Parkway, Suite 200, Henderson, NV 89074, and branch offices in New York and Florida;

WHEREAS Residential is a third-party provider of an email service, the charges for which are placed on local telephone bills with the assistance of a San Antonio-based company called Enhanced Services Billing, Inc. (ESBI);

WHEREAS Residential's charges to consumers averaged $14.95 per month;

WHEREAS during the period 2005 to 2006, Residential charged a total of over $65,000 to more than 1,170 Vermonters for its services that appeared on local telephone bills in Vermont's area code 802;

WHEREAS sellers of goods or services that are to be charged on a consumer's local telephone bill are required under 9 V.S.A. § 2466 to mail a notice to the party to be charged, containing information specific in the statute;

WHEREAS Residential did not send to Vermont consumers who were charged for its services on their local telephone bills a mailing by U.S. first class mail containing all of the information required by 9 V.S.A. § 2466, although it did send them two activation emails that contained most, though not all, of the information required by the statute;

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WHEREAS most of the consumers who responded to the Attorney General's Office in the course of its investigation of this matter stated that they had no recollection of ever authorizing the placement of charges on their telephone bill for Residential's services;

WHEREAS the Attorney General alleges that Residential violated the Vermont Consumer Fraud Act, 9 V.S.A. § 2466, by not complying with that provision's notice requirements;

AND WHEREAS the Attorney General is willing to accept this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459;

THEREFORE, the parties agree as follows:

1. *Injunctive relief.* Residential shall comply strictly with all provisions of Vermont law, including but not limited to provisions of the Vermont Consumer Fraud Act, 9 V.S.A. chapter 63, relating to the placement of charges on local telephone bills associated with telephone numbers in area code 802.

2. *Consumer relief.*

a. For each consumer from which Residential has received money through a charge on a local telephone bill with a number in area code 802, Residential shall, within ten (10) business days of signing this Assurance of Discontinuance, send to the consumer, by first-class mail, postage prepaid, a check in the amount of all monies that have not been previously refunded to the consumer's last known address, accompanied by a letter in substantially the same form attached as Exhibit 1. Residential shall use due diligence to ensure that accurate refunds are provided to each consumer to whom a refund is due under this Assurance of Discontinuance. Residential shall not be obligated to issue refunds to

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consumers who Residential can demonstrate to the Vermont Attorney General's Office used its services.

b. No later than 60 (sixty) days after signing this Assurance of Discontinuance, Residential shall provide to the Vermont Attorney General's Office the names and addresses of the consumers to whom letters and payments were sent under this Assurance of Discontinuance, along with the date and amount of each payment.

c. No later than ninety (90) days after signing this Assurance of Discontinuance, Residential shall pay the total dollar amount of all checks returned to Residential by that date as undeliverable to the Vermont Attorney General's Office to be treated as unclaimed funds, along with a list in Excel format of the consumers to whom the monies due were not paid and their last known addresses.

3. *Payment to the State.* Within twenty (20) days of signing this Assurance of Discontinuance, Residential shall pay to the State of Vermont, in care of the Vermont Attorney General's Office, the sum of ten thousand dollars ($10,000) as reimbursement for reasonable attorneys' fees and costs.

4. *Binding effect.* This Assurance of Discontinuance shall be binding on Residential, its successors and assigns.

5. *Release.* The State of Vermont hereby releases and discharges any and all claims that it may have against Residential or its affiliates based on conduct or activities arising under or in connection with the Vermont Consumer Fraud Act prior to the date of this Assurance of Discontinuance.

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6. *Admissibility.* Nothing in this Assurance of Discontinuance may be used or admitted as evidence or as an admission in any other adverse proceeding or action relating to Residential, nor shall anything in this document be considered first-party evidence.

Date: 4/7/11

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

by: _____
Elliot Burg
Assistant Attorney General

Date: 4/27/11

RESIDENTIAL EMAIL LLC

by: _____
Its Authorized Agent

APPROVED AS TO FORM:

_____
Elliot Burg
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, VT 05609
For the State of Vermont

_____
Christine Wawrynek, Esq.
Klein Zelman Rothermel LLP
485 Madison Avenue
New York, NY 10022-5803
For Residential Email LLC

Exhibit 1 (Letter to Consumers)

Dear [Name of Consumer]:

Under a settlement with the Vermont Attorney General's Office, we are enclosing a check to reimburse you for charges by our company, Residential Email, that appeared on your local telephone bill.

If you have any questions about the settlement, you may contact the Attorney General's Office at (802) 828-5507.

Sincerely,

Residential Email

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STATE OF VERMONT

SUPERIOR COURT
Washington Unit

2011 AUG 30 P 12:44

CIVIL DIVISION
Docket No. 54-8-11 Wncv

STATE OF VERMONT,
Plaintiff,

v.

SET ONE PROPERTIES,
Defendant.

ASSURANCE OF DISCONTINUANCE

NOW COMES the State of Vermont, by and through Vermont Attorney General William H. Sorrell, and hereby accepts from Set One Properties ("Defendant") this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459.

Background

Defendant is the owners of the following properties (hereinafter "the properties"):

9 Summer Street, Barre, VT – 5 units
48 Maple Avenue, Barre, VT – 5 units

The properties are residential rental properties constructed before 1978 and are therefore subject to Vermont's lead law, including the requirement of annual essential maintenance practices ("EMPs") that are designed to reduce childhood lead poisoning risks. 18 V.S.A. § § 1751(19), 1759. Lead-based paint in housing, the focus of the Vermont lead law, is a leading cause of childhood lead poisoning, which can result in adverse health effects, including decreases in IQ. All paint in pre-1978 housing is presumed to be lead-based unless a certified inspector has determined that it is not lead-based. 18 V.S.A. § 1759(a).

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EMPs include, but are not limited to, installing window well inserts, visually inspecting properties at least annually for deteriorated paint, restoring surfaces to be free of deteriorated paint within 30 days after such paint has been visually identified or reported to the owner, and posting lead paint hazard information in a prominent place. 18 V.S.A. § 1759(a)(2), (4) and (7). The Vermont lead law requires owners of rental housing to file annual compliance statements attesting to EMP performance with the Vermont Department of Health and with the owner's insurance carrier. 18 V.S.A § 1759(b). A copy of the compliance statement must be given to all tenants and to new tenants prior to entering into a lease agreement. 18 V.S.A. § 1759(b)(3) and (4).

The Vermont Consumer Fraud Act, 9 V.S.A., Chapter 63, prohibits unfair and deceptive acts and practices, including the offering for rent, or the renting of, housing that is non-compliant with the lead law.

A violation of the Vermont lead law may result in a maximum civil penalty of $10,000.00. 18 V.S.A. § 130(b)(6). Each day that a violation continues is a separate violation. 18 V.S.A. § 130(b)(6). Violations of the Consumer Fraud Act are subject to a civil penalty of up to $10,000.00 per violation. 9 V.S.A. §2458(b)(1). Each day that a violation continues is a separate violation.

The properties are not currently in compliance with the Vermont lead law. Defendant has informed the State of its intention to complete the EMP work necessary at the properties but do not expect that the work will be complete until September 30, 2011.

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INJUNCTIVE RELIEF

Defendant agrees to the following:

1. Defendant shall immediately ensure that access to exterior surfaces and components of the properties with lead hazards and areas directly below the deteriorated surfaces are clearly restricted as described in 18 V.S.A. § 1759(a)(3).
2. Defendant shall give priority to completion of EMPs at any of the properties where a child age 6 or under is residing.
3. Not later than **September 30, 2011** all EMP work, interior and exterior, shall be completed at both of the properties.
4. Upon completion of the EMPs at the properties, but no later than October 10, 2011, Defendant will file with the Vermont Department of Health and Defendant's insurance carrier(s), a completed EMP compliance statement for the property, and will give a copy to an adult in each rented unit of the compliance statement for the property.
5. Upon completion of EMPs at the properties, Defendant shall also provide proof of completion to the Office of the Attorney General at the following address: Robert F. McDougall, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609. A copy of the EMP compliance statement for each property shall be sufficient proof of completion.
6. All work performed at the properties, whether by Defendant, its employees, or by hired contractors and/or painting companies, shall be performed using safe work practices consistent with 18 V.S.A. § 1760. Contractors and/or painting companies must have all necessary certifications and licenses required to perform

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the work. It shall be the obligation of Defendant to ensure that any contractors and/or painting companies they hires to perform EMP work are aware of the provisions of 18 V.S.A. § 1760, intend to use safe work practices at the properties and are properly licensed and certified.

7. If Defendant anticipates not being able to fully comply with the deadlines for EMP compliance solely due to delays relating to contractors and/or painting companies hired to perform the EMP work, Defendant may request an extension of the deadline from the Attorney General's Office. Such request shall be made as soon as the delay is recognized and must include an approximate date by which the work shall be complete.

8. In the event that Defendant wishes by agreement with the Office of the Attorney General to extend any of the dates above for reasons not relating to delays caused by contractors and/or painting companies hired to perform the EMP work, such request must be made by Defendant at least 10 days in advance of the dates specified in this Assurance of Discontinuance.

9. Defendant shall fully and timely comply with the requirements of the Vermont Lead Law, 18 V.S.A., Chapter 38, as long as it maintains any ownership interest in the properties listed in Attachment A or in any other pre-1978 residential housing in which it currently has or later acquires an ownership interest or provides property management services (unless by property management contract the Defendant is explicitly not responsible for EMPs).

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PENALTIES

10. Defendant shall pay civil penalties of five thousand ($5,000.00). Payment shall be due October 20, 2011, and payment made to the "State of Vermont" and shall be sent to: Robert F. McDougall, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.
11. If Defendant complies with the EMP requirements of this Assurance of Discontinuance set forth in paragraphs 1 through 6 above, the penalties provided in paragraph 10 shall be waived by the State of Vermont.
12. The filing of the EMP compliance statements for the properties by October 10, 2011, as described in paragraphs 4 and 7, shall be considered compliance with the requirements of this Assurance of Discontinuance. If, however, it is determined that the filed EMP compliance statements are not accurate, the State may pursue the penalties in paragraph 10 in addition to any other appropriate action under the Vermont lead law.

OTHER RELIEF

13. This Assurance of Discontinuance is binding on Defendant, however, sale of any of the properties may not occur unless all obligations set forth herein have been completed or this Assurance of Discontinuance is amended in writing to transfer to the buyer or other transferee all remaining obligations.
14. Transfer of ownership of any of the properties shall be consistent with Vermont law, including the provisions of 18 V.S.A. § 1767, specifically relating to the transfer of ownership of target housing.
15. This Assurance of Discontinuance shall not affect marketability of title.

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16. Should Defendant fully transfer or sell its ownership interest in any of the properties after completing all obligations set forth herein, its obligations with respect to that particular property under this Assurance of Discontinuance is extinguished. However, nothing in this Assurance of Discontinuance in any way affects the obligations of future owners of any of the properties under Vermont law, including under the Vermont lead law.

17. Nothing in this Assurance of Discontinuance in any way affects Defendant's other obligations under state, local, or federal law.

18. Any future failure by Defendant to comply with the Vermont lead law at any of the properties referenced in this Assurance of Discontinuance, or violations of the terms of this Assurance of Discontinuance, shall be subject to additional penalties of no less than $10,000.00 per violation per day for each day the violation exists.

Signature

By signing below, Defendant acknowledges and agrees that the facts contained in the section entitled "Background" are true and voluntarily agrees to and submits to the terms of this Assurance of Discontinuance.

DATED at COLCHESTER, Vermont this 23 day of AUGUST, 2011.

Dawn Terrill, as authorized agent and co-owner of Set One Properties

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Acceptance

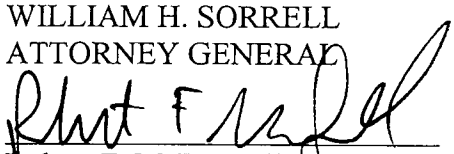
In lieu of instituting an action or proceeding against Defendant, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance.

ACCEPTED on behalf of the State of Vermont:

DATED at Montpelier, Vermont this 30th day of August, 2011.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: 

Robert F. McDougall
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, Vermont 05609
802.828.3186

Office of the
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GENERAL
109 State Street
Montpelier, VT
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STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

In re STRATFORD CAREER INSTITUTE, INC.	)	**CIVIL DIVISION**
	)	**Docket No.** 6-1-11 Wncv

ASSURANCE OF DISCONTINUANCE

WHEREAS Stratford Career Institute, Inc. ("SCI") is a District of Columbia corporation with offices at 8675 Darnley Road, Mount Royal, Quebec, Canada H4T1X2;

WHEREAS SCI offers and provides non-accredited "distance education" or correspondence programs at the high school level and in a number of vocational areas, including medical office assistant, nursing assistant, and veterinary assistant;

WHEREAS SCI has enrolled students from Vermont and other states;

WHEREAS SCI also has an office that is located at 12 Champlain Commons, P.O. Box 560, St. Albans, Vermont 05478-5560, which is used primarily for shipping, receiving, mailing and some administrative functions.

WHEREAS SCI has represented its address to be in St. Albans, either alone or alongside its address in Mount Royal, including on the company's letterhead, envelopes, academic materials, diplomas, and website;

WHEREAS, effective January 5, 2006, the State of Vermont began to limit the use of Vermont addresses to describe the location of a company that is not based in Vermont, through the promulgation of Consumer Fraud Rule (CF) 120;

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WHEREAS CF 120.07(a) (Company Location) provides that "[n]o person shall use a Vermont address in any representation to describe the location of the seller, solicitor, producer, distributor or other person associated with a good or service unless the company is based in Vermont";

WHEREAS under CF 120.01(a), a company is "based in Vermont" if it "currently discharges substantial functions in Vermont. For this purpose, 'substantial functions' do not include such activities as the original development of the goods or services, mail handling or banking, or the presence of sales, distribution or similar staff alone.";

WHEREAS it is an unfair and deceptive trade act and practice in commerce under the Consumer Fraud Act, 9 V.S.A. § 2453(a), to violate Rule 120;

WHEREAS the Vermont Attorney General alleges that SCI was not based in Vermont within the meaning of CF 120, that the company nonetheless used a Vermont address to describe its location in violation of CF 120.07(a), and that as a result, the company violated the Vermont Consumer Fraud Act, 9 V.S.A. § 2453(a);

AND WHEREAS the Attorney General is willing to accept this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459;

THEREFORE, the parties agree as follows:

1. *Injunctive relief.* SCI, itself and through its owners, officers, directors, managers, employees and other agents, shall comply strictly with CF 120, including, but not limited to, the provisions of CF 120 relating to the use of the word "Vermont" in any representation of geographic location. Notwithstanding, nothing herein shall preclude SCI from stating a Vermont mailing address in its communications to third parties, students or

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consumers, so long as SCI maintains an office in Vermont and clearly and conspicuously discloses in each communication (a) the functions discharged at that location (e.g., "shipping and handling"); and (b) no less prominently, the address of its principal place of business, identified as such, except in the case of a self-addressed envelope, post card, or business reply card, an additional address containing the principal place of business will not be required provided the Vermont address contains a reference to "shipping address," "mailing address," or a similar phrase.

2. *Civil Penalties and costs.* Within 10 (ten) business days of signing this Assurance of Discontinuance, SCI shall pay to the State of Vermont, in care of the Vermont Attorney General's Office, the total sum of $10,000.00 (ten thousand dollars) in civil penalties and costs.

3. *Binding effect.* This Assurance of Discontinuance shall be binding upon SCI, its officers, directors, managers, employees, and other agents of SCI, and its successors and assigns. The injunctive relief provisions shall become effective upon the date of execution by the parties below.

4. *Final resolution.* This Assurance of Discontinuance resolves all existing claims the State of Vermont may have against SCI stemming from the facts described in this Assurance of Discontinuance.

Date: 12/16/10

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

by: _____
Elliot Burg
Assistant Attorney General

Office of the
ATTORNEY
GENERAL
09 State Street
Montpelier, VT
05609

Date: _____

STRATFORD CAREER INSTITUTE, INC.

by: _____
Authorized Agent

_____
Name

_____
Title

APPROVED AS TO FORM:

_____
Elliot Burg
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, VT 05609

_____
Joshua R. Diamond, Esq.
Diamond & Robinson, P.C.
15 East State Street
P.O. Box 1460
Montpelier, VT 05601-1460

Office of the ATTORNEY GENERAL 09 State Street Montpelier, VT 05609

Date: Dec. 12, 2010

STRATFORD CAREER INSTITUTE, INC.

by: _____
Authorized Agent

Michael Boulay
Name

Vice President, Student Services & Admissions
Title

APPROVED AS TO FORM:

_____
Elliot Burg
Assistant Attorney General
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